

Annual Report 2008



Corporate Directory

Maximus Resources Limited ABN 74 111 977 354

DIRECTORS

| | |
|-----------------------|------------------------|
| Robert Kennedy | Non-executive Chairman |
| Kevin Wills | Managing Director |
| Gary Maddocks | Exploration Director |
| Ewan Vickery | Non-executive Director |

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Richard Willson

REGISTERED AND PRINCIPAL OFFICE

62 Beulah Road
Norwood South Australia 5067

CONTACT DETAILS

Phone +61 8 8132 7960
Fax +61 8 8132 7999
Email info@maximusresources.com
Website www.maximusresources.com

SOLICITOR

DMAW Lawyers

AUDITORS

Grant Thornton

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SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 5 115 Grenfell Street
Adelaide South Australia 5000
GPO Box 1903
Adelaide South Australia 5001

Enquiries within Australia 1300 556 161
Enquiries outside Australia 61 3 9415 4000
Email web.queries@computershare.com.au
Website www.computershare.com

ASX CODE: MXR

GOLD

RESOURCES

- Equity share of total inferred Gold Resources now 326,000 ounces.

SELLHEIM

- Inferred Alluvial Gold Resource of 16,000 ounces.
- Pre and Trial Production giving high alluvial gold grades of 1 to 1.5 grams per cubic metre.
- Abundant gold nuggets for separate marketing.

ADELAIDE HILLS

- Bird in Hand Inferred Resource now 589,000 tonnes at 12.3 grams per tonne, containing 237,000 ounces of gold.
- Pre-feasibility study underway to include drilling, metallurgy, water pumping test and mining studies.
- Further exploration aspiration to locate 1,000,000 ounces of gold in the Adelaide Hills.

URANIUM

WINDIMURRA

- Inferred Resource of 19 million tonnes at 180 parts per million U_3O_8 , containing 3,400 tonnes or 7.5 million pounds of U_3O_8 .

IRON ORE

CANEGRASS

- Recognised Exploration Target* of 1,980 to 3,500 million tonnes of magnetite iron ore containing 20 to 40% iron, including separate zones containing high vanadium.

BASE METALS

NARNDEE

- Major airborne EM (REPTM) survey has located numerous conductive targets prospective for nickel and copper-zinc mineralisation.



CORPORATE

CAPITAL

- Maximus raised \$14.5 million during the 2007–08 financial year

SHAREHOLDERS

- Total number of shareholders increased from 1,300 in July 2007 to 2,500 in June 2008



* See page 5 for an explanation of Exploration Target.

Chairman's Report

Dear Fellow Shareholders

Maximus has grown and evolved significantly during the 2007–08 financial year. The Company has taken the opportunity provided by the recent resources boom to raise capital, and to spend it on in-ground mineral exploration activities aimed at achieving profitable production. This has resulted in increased resources, currently totalling 326,000 ounces of gold and 7.5 million pounds of U_3O_8 – two valuable assets which now provide development opportunities. The Company's growth has been across the board, with increased numbers of geologists, support staff, office space, exploration equipment, and in-ground exploration expenditure.

This activity, and these results, have been funded by equity raisings from shareholders. Maximus raised a total of \$14.5 million during the year in three tranches. Firstly, a placement of 11 million shares on 17 July 2007 raised \$3.4 million, secondly an underwritten rights issue completed on 4 December 2007 raised \$9.5 million, and thirdly 8.1 million options were exercised prior to 30 June 2008 which raised \$1.6 million. The Company

expended a total of \$9 million on exploration during the year and at year's end had available cash of \$4.2 million. The number of shareholders in Maximus has nearly doubled during the year, from about 1,300 in July 2007 to about 2,500 in June 2008.

A significant asset purchased during the year was the mining property at Sellheim in north-central Queensland. Maximus paid \$1.5 million to exercise an option to purchase an area of about 75 square kilometres, containing three granted gold mining leases and two granted exploration permits for minerals in the highly prospective northern Drummond basin of central Queensland. The vendors had proven the widespread presence of alluvial gold, rich in nuggets of up to 36 ounces. Maximus has undertaken a low cost and systematic alluvial exploration program over the last two years, which has proven up a resource containing at least 16,000 ounces of gold and indicated the potential

for considerably more. Along with the lease purchase, Maximus spent \$500,000 to purchase mining equipment from the main vendor and has since supplemented this with a bulldozer. Maximus now owns its own, albeit small at present, earthmoving fleet for alluvial gold mining. At the time of writing, Sellheim is entering a phase of trial mining which is expected to lead on to commercial production later this year.

Maximus' other principal gold assets are the Bird in Hand and Deloraine Mines in the Adelaide Hills. These are the two largest historical hard rock producers in the Hills region. Maximus has demonstrated that significant potential remains below the zone previously mined at Bird in Hand by outlining an Inferred Resource of 598,000 tonnes at 12.3 grams per tonne of gold. This is a high grade gold resource and our scoping study concluded that it was justified to go into a pre-feasibility study to examine the economics and social impacts of mining.



Chairman's Report

Maximus has engaged the local Woodside community in quarterly public meetings. These meetings have shown that the mining issue of most concern to the immediate neighbours is any impacts on groundwater. Maximus initially proposed a reticulation scheme to supply landowners with any water they needed. However, after this scheme was rejected by landowners an alternative method with no net taking of water was developed. This involves managed aquifer recharge (MAR), through which water is injected back into the ground to ensure that all but a few bores will remain operative. There is still further exploration and development work to carry out in the Hills. However, Maximus is gradually moving towards a development which we hope will be able to re-establish significant gold production in the Adelaide Hills.

Maximus has also been conducting an active exploration program in Western Australia, particularly over the Windimurra–Narndee Complexes located just east of Mount Magnet. A uranium resource at Windimurra, which contains 7.5 million pounds of U_3O_8 which is open in several directions, and hence is likely to expand. It is also able to be upgraded by selective mining. In addition, Maximus has outlined a huge deposit of magnetite iron ore at Canegrass, located only about 15 kilometres from the uranium deposit. This deposit requires more drilling and metallurgical study but is a potential large, long life source of iron, titanium and vanadium. Our search for base metal deposits of nickel and copper–zinc has commenced with the flying of a high tech REPTM survey over the whole of the Windimurra–Narndee Complexes. A number of interesting conductive anomalies have been located which require further exploration.

At the time of writing, the world is going through severe financial difficulties, the impact of which for Maximus is currently uncertain. I would like to thank our directors, staff, service providers and our loyal shareholders for supporting the Company during this interesting rollercoaster ride of a year, during which much has been achieved which would not have been possible without the diligent efforts of all concerned. Your efforts have been much appreciated.



BOB KENNEDY
Chairman



Managing Director's Report

In a very active year for a junior company, Maximus continued to add to its resource base and commenced gold pre-production activities at its Sellheim gold mine in Queensland. Total exploration expenditure for the year was \$9 million, which included \$2 million to purchase the Sellheim leases and earthmoving plant. Identified Mineral Resources increased at four properties and a large Exploration Target for magnetite iron ore was outlined at the Canegrass Prospect near Mount Magnet in Western Australia. Maximus' equity share of total contained gold in Inferred Resources at Sellheim, Bird in Hand and Yandal is now 326,000 ounces. At the Windimurra Uranium Prospect, there are 7.5 million pounds of U_3O_8 in the 19 million tonnes of Inferred Resource. At Canegrass, two Exploration Targets* totaling 1,980 to 3,500 million tonnes averaging 20 to 40% iron have been outlined.

At Sellheim in Central Queensland, the project progressed from exploration to development status. Maximus entered an option to purchase agreement in October 2006 and since then has been engaged in both alluvial and hardrock gold exploration. At the beginning of the reported year, alluvial exploration by test pitting and treatment of five loose cubic metre (lcm) samples was still underway and continued until December 2007. A period of data assessment and interpretation followed, culminating in the announcement of an initial Inferred Resource of one million bank cubic metres (bcm) averaging 0.52 grams per bcm, containing 16,000 ounces of gold. Maximus then carried out a feasibility study into alluvial gold mining by an experienced independent consultant from New Zealand. This work concluded that an alluvial operation would be viable. So, in late June 2008, the option to purchase was exercised for \$1.5 million. A variety of

earthmoving equipment, a house and maintenance facilities were also purchased for an additional \$0.5 million.

From July to September activities then turned to pre-production bulk sampling when much larger samples were treated. This work also gave encouraging results, leading to the commencement of trial mining and production on 1 October 2008. Trial production to date has encountered high grades for alluvial gold deposits in the range of 1.0 to 1.5 grams per bcm, and a high proportion between 40 and 50% of gold nuggets. Maximus is anticipating being able to commence commercial production later in the December 2008 quarter.

In the Adelaide Hills, Maximus' objective is to be able to recommence gold mining at a significant production level. Total recorded historical production is about 300,000 ounces of mostly alluvial and some hardrock gold. Since listing, Maximus has located nearly as much gold as the total

Location of Maximus' resource projects.



Managing Director's Report

historical production. Maximus' exploration strategy is simply to drill down plunge of the largest previous gold mines in the Adelaide Hills. Initial work at Bird in Hand has located an Inferred Resource of some 237,000 ounces, which is likely to be increased as the orebody remains open at depth. Maximus' next main target is the historical Deloraine Mine, which was the largest previous gold producer in the Hills, with production of about 50,000 tonnes at 20 grams per tonne for about 30,000 ounces of gold. Maximus anticipates a down plunge extension at Deloraine as at Bird in Hand and has recognised an Exploration Target of between 0.8 and 1.1 million tonnes containing 15 to 20 grams of gold per tonne. Gold identified at Bird in Hand and targeted at Deloraine have led to Maximus' aspirational aim of locating one million ounces of gold in the Adelaide Hills.

In Western Australia, Maximus has been exploring in two parts of the highly prospective Yilgarn Craton. These are the Windimurra–Narndee Complexes east of Mount Magnet and the Yandal Greenstone Belt north of Leonora. At the Ironstone Well project area, a number of zones of gold mineralisation have been identified – particularly at Flushing Meadows where an Indicated and Inferred Resource of 1.55 million tonnes at a grade of 1.6 grams per tonne containing 81,000 ounces of gold has been identified. In the Windimurra–Narndee Complexes, work has focused on three opportunities: calcrete uranium at Windimurra,

magnetite iron ore at Canegrass, and base metal sulphide deposits in the whole complexes. The exploration for base metals and uranium is described elsewhere in this report.

At Canegrass, a zone with dimensions of about 20 by 5 kilometres has been shown by geophysical surveys and drilling to contain significant quantities of magnetite iron ore. Geologically this zone is part of the largest Archean layered mafic complex in Australia and the magnetite occurs with feldspar in layers dipping at about 20 degrees to the north. The low dip and high density means that high tonnages per vertical metre are present. The magnetite mineralisation contains iron, titanium and vanadium and Davis Tube testwork has shown that concentrates with grades of commercial interest can be produced by simple magnetic separation. Maximus has carried out reconnaissance drilling and the next stage of work consists of resource drilling and metallurgical testwork. The mineralisation at Canegrass represents a major deposit of iron, titanium and vanadium on a world scale which, if and when it becomes possible to develop, could supply these commodities for a very long time.

Maximus' immediate plans are initially to establish Sellheim as a profitable gold producer. There is a potentially much larger alluvial gold target which could provide the resources for a medium sized gold operation, and additional

exploration to outline the position of this resource is necessary. Also in gold, Maximus would like to continue with its exploration and development activities in the Adelaide Hills with the aim of becoming a significant underground gold miner. In Western Australia, our exploration focus is on the Windimurra–Narndee Complexes for economic deposits of iron, titanium, vanadium, nickel, copper, zinc, chromium and platinum group metals.

Maximus is fortunate in having a strong team of experienced explorationists, backed up by hard-working and enthusiastic field hands and support staff. All have worked hard to realise the achievements documented during the year. The combined efforts have established a valuable portfolio of mineral assets which could become the basis for an established mining company.



DR KEVIN WILLS
Managing Director

** Exploration Targets are reported according to Clause 18 of the JORC Code. This means that they are partly conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any mineral resource.*

Note: Due to the changed financial climate since writing of the Review of Operations on page 38, gold projects have become Maximus' flagship projects.

Exploration Manager's Report

REVIEW OF EXPLORATION ACTIVITIES



Figure 1 Location of activities.

SELLHEIM GOLD PROJECT, QUEENSLAND

100% Maximus

The Sellheim project tenure covers 78 square kilometres and comprises three granted mining leases enclosed within two exploration permits, located 190 km south-southeast of Townsville. A contiguous application for an additional exploration permit covering 39 square kilometres extends northwards (Figure 2). The region is an active and historic alluvial gold mining centre, called Middle Camp, dating back to 1867, and the underlying geology is considered prospective for the discovery of hard rock gold and copper mineralisation.

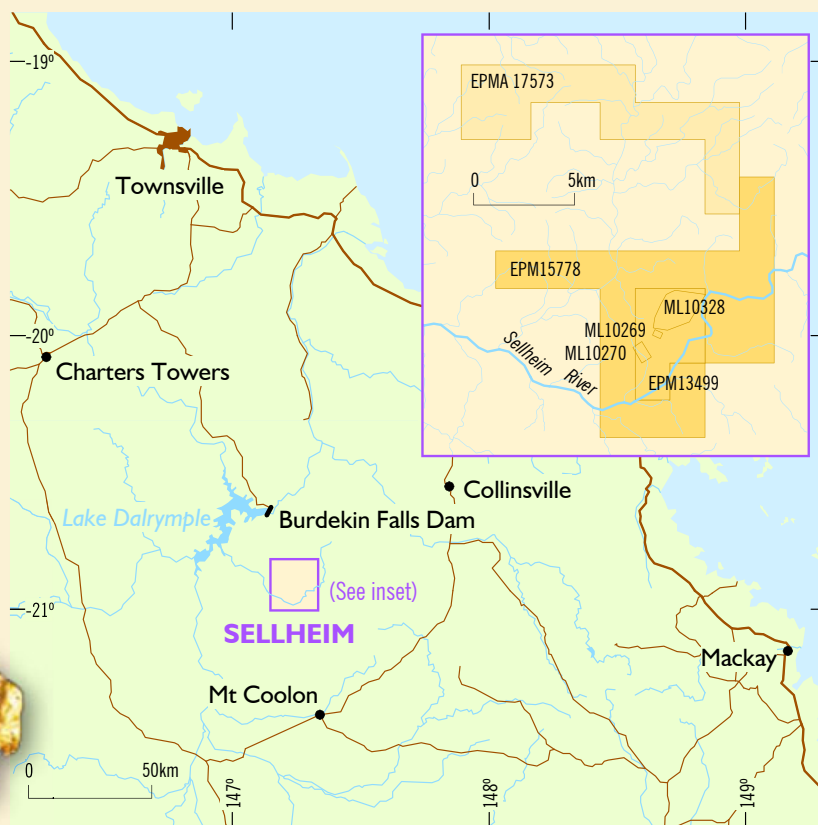
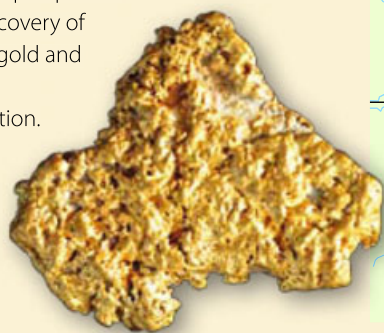


Figure 2 Location of Sellheim Project and tenement holdings.

Sellheim Alluvial Gold

On 27 June 2008, after exploration of the Sellheim alluvial gold potential over a period of 12 months, Maximus announced the exercising of its option agreement to purchase 100% ownership of the tenure from vendors Alan Stiff, Colleen Budge and Peter Harvey. The exercise price totalled \$1,500,000 in cash with the vendors retaining a 1.5% net smelter royalty on all gold production from the tenements included in the original option agreement. In a separate agreement, mining equipment and infrastructure was purchased from Mr Alan Stiff for \$505,000. After arranging to hire an interim processing plant from Queensland Gold and Minerals Limited, bulk sampling of the Jacks Patch area commenced in late June 2008.

Resource Estimation

During the reporting period, Maximus completed test pit sampling of the alluvial gold potential. This resulted in the excavation and processing of five to six loose cubic metres (lcm) of alluvial material from a total of 109 test pits, most of which were excavated from the main mining lease, ML10328 (Figure 3). Results from the test pit investigation were highly encouraging, with better values including metal detected nuggets of 18.7 grams per lcm and 27.2 grams per lcm from test pits TT080 and TT089, respectively.

Using the test pit results, Maximus obtained a resource estimate for three sub-regions of specific interest – Jacks Patch, Golden Triangle and Boulder Run (Figure 3) – through geological consultant, Peter Hancock of Hancock Consultants.

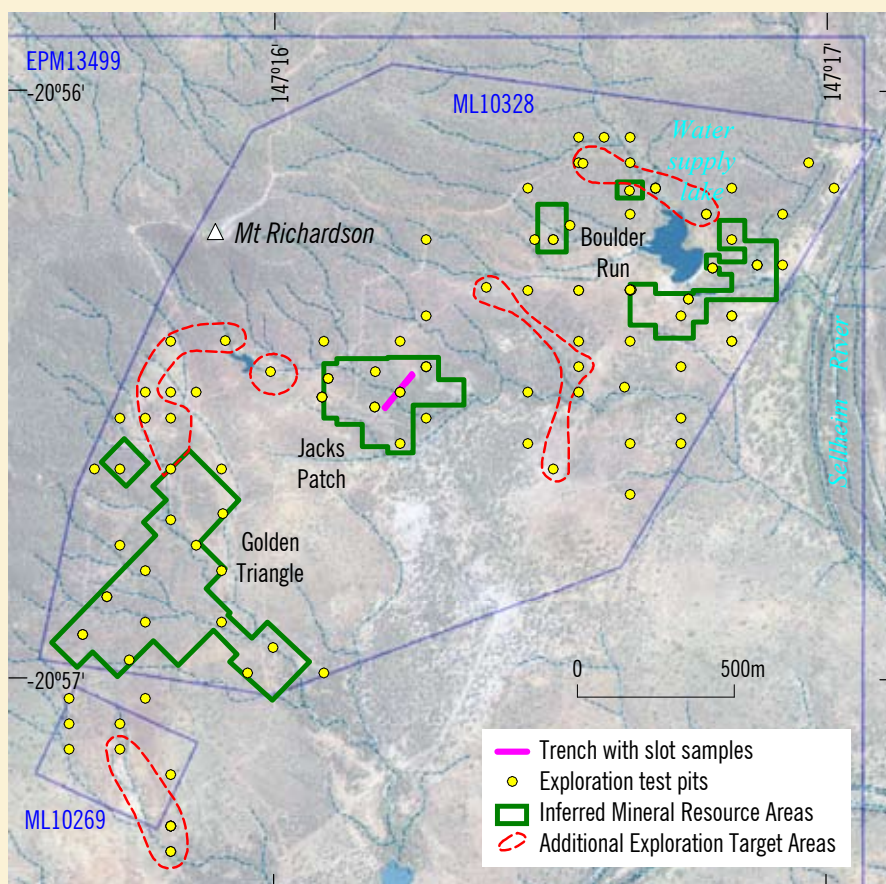


Figure 3 Location of test pitting and Inferred Mineral Resource at the Sellheim Gold Project.

Hancock estimated a total resource of 1,000,000 bank cubic metres (bcm) averaging 0.52 grams of gold per bcm, containing 16,000 ounces of gold (Table 1), and categorised the resource as an Inferred Mineral Resource under the Joint Ore Reserves Committee (JORC) Code.

Bulk Sampling

Bulk sampling of the Jacks Patch portion of the inferred resource commenced in late June 2008 and provided very encouraging results with a relatively high abundance of gold nuggets. A total of 1,357 bcm of alluvial material and minor quantities of weathered bedrock



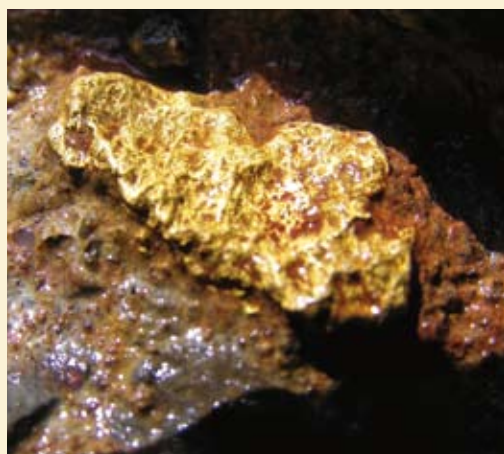
Exploration Manager's Report

Table 1 Inferred Mineral Resources ML 10328, Sellheim Alluvial Gold Project, Queensland.

| Field | Volume ¹ (bcm ¹) | Grade (grams/bcm) | Total Ounces (per bcm volume) |
|--------------------|--|----------------------|----------------------------------|
| Jacks Patch | 253,468 | 0.78 | 6,000 |
| Golden Triangle | 453,832 | 0.41 | 6,000 |
| Boulder Run | 297,986 | 0.46 | 4,000 |
| Total ² | 1,000,000 | 0.52 | 16,000 |

¹ Bank Cubic Metres.

² Totals for volumes and ounces rounded to nearest hundred thousand and thousand, respectively.



were excavated from a trench and processed to recover 681 grams (21.9 ounces) of gold, giving an average overall grade of 0.5 grams per bcm. Approximately 36% of the gold was recovered as gold nuggets.

The bulk sampling investigation has also demonstrated that, overall, some 80% of the alluvial gold is located within the "A" horizon immediately overlying the basement – a result which basically confirmed the distribution of gold previously noted in the test pit results. Results for the bulk sampling indicated the "A" horizon averaged 1.24 grams per bcm, whereas the "B" horizon average grade was 0.18 grams per bcm.

Trial Production

A period of trial production commenced on 1 October 2008 and is expected to continue until a new Plan of Operations is approved by the Queensland mining authorities. Initial results after the first week have been highly encouraging,

with some 44 ounces of gold being recovered from 962 bcm of alluvial material mined from Jacks Patch. Approximately 46% of this gold was recovered as nuggets, some of which are specimen quality. The average grade for the material mined and processed in this first week of trial mining and production was 1.42 grams per bcm.

Marketing of Sellheim Gold Nuggets

Maximus is proposing to market the better quality gold nuggets recovered at Sellheim by using its website to display specimens selected for sale (see cover photo). It is expected that this marketing will commence early in November 2008.

Sellheim Hardrock Gold and Copper Potential

Limited investigation of the bedrock gold and copper potential at Sellheim was undertaken during 2008. Compilation of previous exploration indicates widespread metal occurrences of gold, copper, lead and silver in the tenure held. Geological mapping has demonstrated that structural controls are important in the distribution of these metal occurrences, which may represent the upper levels of a larger magmatic mineralised system. Further investigations, including electrical geophysics, are being considered before bedrock drill targets can be defined.

More recently, Maximus has decided to focus on the alluvial gold potential of the property and to possibly offer the hardrock gold and copper potential for farm out to other explorers. Discussions with several exploration companies have commenced.



ADELAIDE HILLS GOLD AND BASE METAL PROJECTS, SOUTH AUSTRALIA

100% Maximus

The Adelaide Hills project, located immediately east of Adelaide, comprises some 3,800 square kilometres of contiguous exploration licences (eight) and applications (three) covering numerous gold and base metal occurrences (Figure 4). The Maximus tenure covers eight of the twelve known goldfields that form the Adelaide Hills Gold Province (AHGP) and all of the significant historic gold producing hard rock mines.

During the year, Maximus lodged applications for mineral claims over 196 hectares surrounding the historic Bird in Hand gold mine, as a precursor to a future mining lease application. Bird in Hand is one of four historic gold mines enclosed within the area of these mineral claim applications (Figure 4). It is Maximus' intention to explore each of these mines and the rest of the application area for gold mineralisation that could add to the gold resource so far identified at Bird in Hand. Recently the Adelaide Hills Council agreed to the inclusion of roads to allow for the above applications to be consolidated in a single mineral claim application.

Based on a recent review of all available data, Maximus is of the opinion that further exploration within the AHGP is likely to provide more discoveries similar to that made at Bird in Hand.

A new Maximus AHGP strategy will be directed towards:

- Investigations that will support completion of pre-feasibility studies at Bird in Hand (BIH);
- Exploration drilling of targets in the mineral claim application area surrounding BIH to locate additional gold resources that could be developed concurrently with the BIH resource;
- Exploration drilling of new targets relating to known goldfields in the AHGP, commencing with the historic Deloraine and Eureka gold mines, to locate other gold resources of similar or greater tenor to that discovered at BIH.

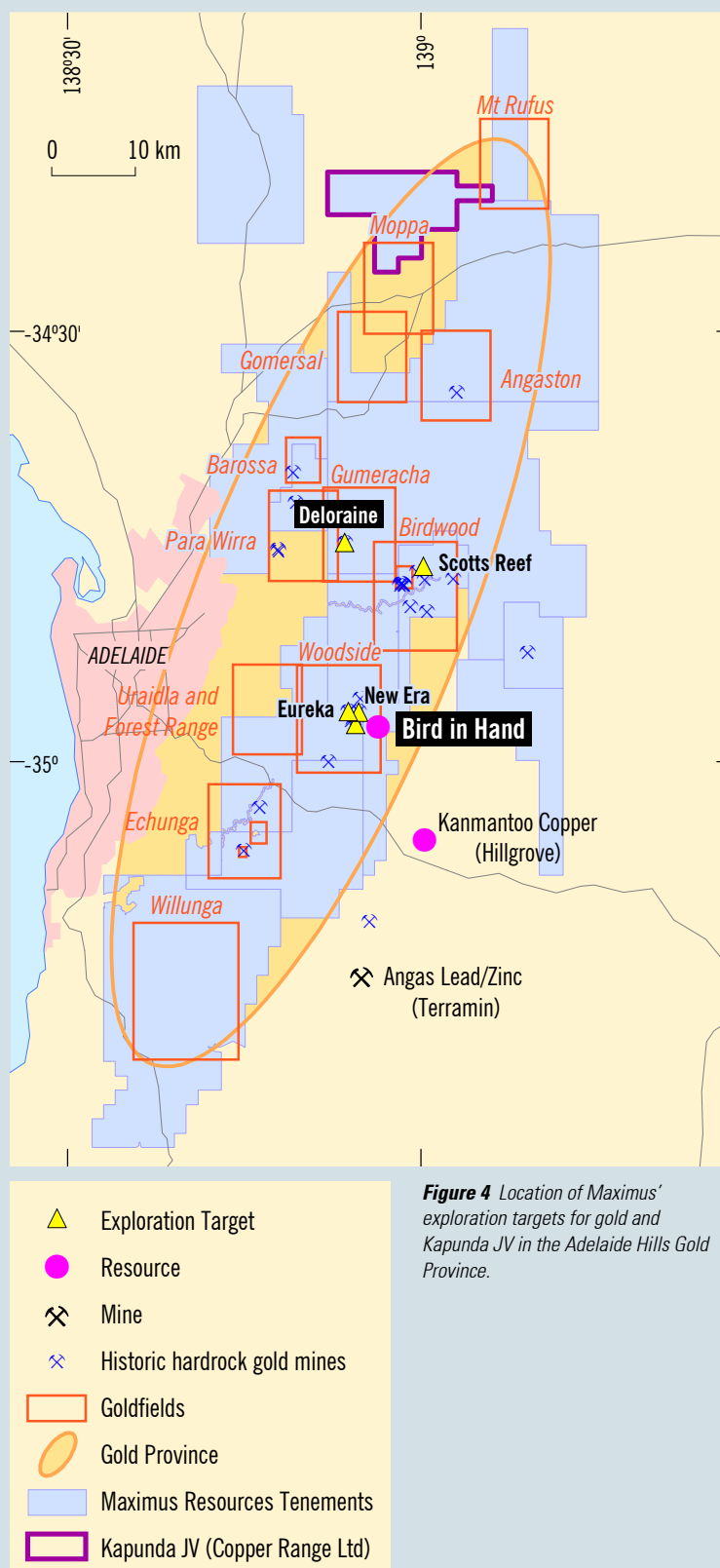


Figure 4 Location of Maximus' exploration targets for gold and Kapunda JV in the Adelaide Hills Gold Province.

Exploration Manager's Report



Maximus has an aspirational aim of locating over one million ounces of recoverable gold in the Adelaide Hills. This strategy is based upon Maximus' belief that a total Exploration Target of some 1,900,000 to 2,400,000 tonnes of gold mineralisation averaging 10 to 15 grams of gold per tonne can be discovered within the AHGP (Figure 4). This is in addition to the resource already defined at Bird in Hand. It is emphasised that this Exploration Target is partly conceptual in nature and there is no certainty that further exploration will lead to the estimation of further Mineral Resources within the AHGP. However, the discovery of such a target could lead to the delineation of several gold resources that, when totalled, would serve as a basis for significant future Maximus gold production over a period of at least 10 years.

BIRD IN HAND MINERAL CLAIM – GOLD

At the Bird in Hand project, which is now extended to exploration of the mineral claim application area (Figure 5), Maximus has continued drilling through most of the year. Ten holes were completed in and around the main Bird in Hand resource (Figure 6), for a total of 3,353 m and an additional two exploratory holes (307 m) were completed at the nearby Ridge Mine, 400 m to the southwest (Figure 5). Mineralised intersections are summarised in Table 2.

Through the year, Maximus has progressively upgraded its estimated Inferred Mineral Resource. The latest resource estimate announced in June consists of an Indicated Resource from 340 to 220 metres RL and an Inferred Resource from 220 to 20 metres RL, which totals 598,000 tonnes at an average

gold grade of 12.3 grams per tonne (Table 3). The contained gold content represented is 237,000 ounces, which is 46% above the previously released estimate of 421,000 tonnes at 12 grams per tonne (162,000 ounces of contained gold). The components of the resource are summarised in Table 3.

At the Ridge Mine (Figure 5), hole RDH1 traversed a wide zone of broken rock containing some gold and an interval of 0.8 metres assayed 2.8 grams of gold per tonne. A second hole, RDH2, was drilled as a vertical hole to follow up the intersection made in RDH1. RDH2 intersected further breccia containing some altered marble, without significant gold, before finishing in footwall siltstones at 159.6 metres total depth.

Negotiations for access to complete drilling at other historic mine sites within the mineral claim application area were progressed through the year, but are yet to be finalised.

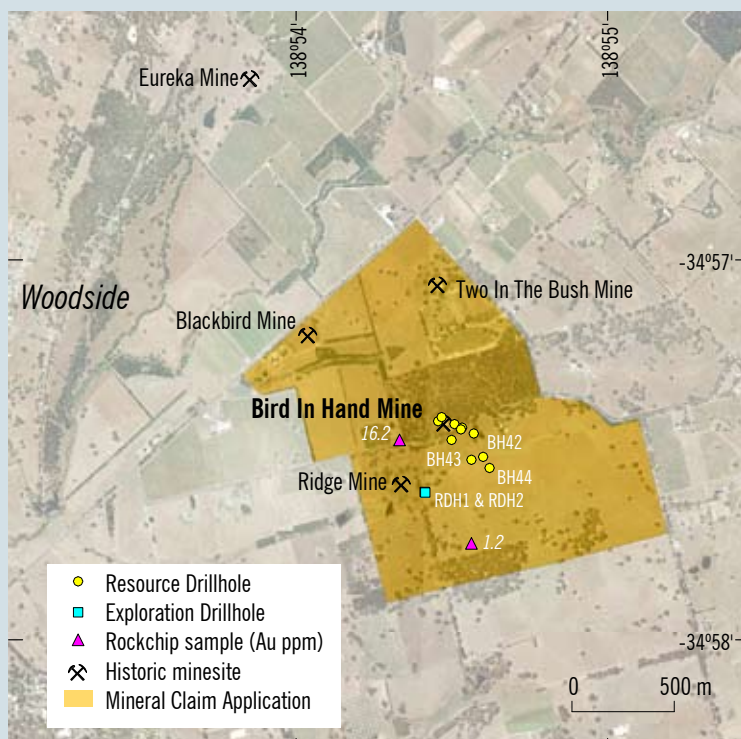


Figure 5 Mineral Claim Applications and recent drillholes, Bird in Hand Project.

Exploration Manager's Report

Table 2 Mineralised Intersections on Bird in Hand Mineral Claim, Woodside, South Australia from September 2007 to June 2008.

| Drillhole No. | Collar Easting | Collar Northing | Collar Azimuth / Dip | Core Size | From | To | Interval | Gold |
|---------------|----------------|-----------------|----------------------|-----------|----------|-----------|----------|---------------|
| | (MGA54 metres) | (MGA54 metres) | | | (metres) | (metres) | (metres) | (grams/tonne) |
| BH35 | 308952 | 6129717 | 288/-90 | HQ | 102.7 | 104.0 | 1.3 | 5.25 |
| BH36 | 308968 | 6129736 | 290/-86 | HQ | 117.5 | 120.0 | 2.5 | 1.15 |
| BH37 | 309032.2 | 6129703.5 | 288/-90 | HQ | 208.6 | 218.0 | 9.4 | 7.66 |
| | | | | | | including | 0.4 | 38.61 |
| | | | | | | including | 3.15 | 14.52 |
| BH38 | 309127 | 6129661.5 | 288/-90 | HQ | - | - | - | HA |
| BH39 | 309070.0 | 6129686.5 | 288/-90 | HQ | - | - | - | NSA |
| BH40 | 309062.0 | 6129680.0 | 250/-82 | HQ | 223.0 | 227.0 | 4.0 | 7.21 |
| BH41 | 309020.0 | 6129627.0 | 288/-90 | HQ | 207.2 | 216.2 | 9.0 | 8.01 |
| BH42 | 309176 | 6129547.5 | 360/-90 | HQ | 375.0 | 389.2 | 14.2 | 15.5 |
| | | including | | | 380.0 | 382.0 | 2.0 | 28.0 |
| | | and | | | 385.9 | 389.1 | 3.2 | 38.0 |
| BH43* | 309119 | 6129532 | 360/-90 | HQ | 331.3 | 340.7 | 9.4 | 15.1 |
| | | including | | 332.6 | 333.9 | 1.3 | 87.4 | |
| BH 44 | 309206 | 6129495.5 | 360/-90 | HQ | 413.2 | 421 | 7.8 | 5.3 |
| RDH1 | 308894 | 6129370 | 270/-75 | HQ | 116 | 116.8 | 0.8 | 2.8 |
| RDH2 | 308896 | 6129369 | 090/-90 | HQ | - | | | NA |

HA = Hole abandoned; NSA = No significant assays; NA = Assays not available; * = Includes 2.1 m section of core loss from 333.9 m at zero grade

Table 3 Mineral Resources, 100 to 430 metres vertical depth, Bird in Hand Gold Mine, Woodside, South Australia. As at 1 August 2008.

| | Bulk Density ¹ | Average Width ² | Tonnes | Grade Gold | Contained Gold |
|-------------------------------------|---------------------------|----------------------------|---------|------------|----------------|
| | | (metres) | | (g/t) | (ounces) |
| Classification | | | | | |
| Indicated Main Reef | 2.78 | 6.65 | 160,000 | 13.6 | 70,000 |
| Inferred Main Reef | 2.78 | 7.48 | 406,000 | 11.7 | 153,000 |
| Inferred White Reef ³ | 2.78 | 2.44 | 32,000 | 13.6 | 14,000 |
| Total Mineral Resource ⁴ | | | 598,000 | 12.3 | 237,000 |

¹ Density value is based on the average of measurements taken through the mineralised zone.

² Horizon width based on lode dipping approximately 50 degrees to east.

³ Resource limited to between 125 to 220 metres below surface.

⁴ Totals rounded to nearest thousand (tonnage/contained ounces) or first decimal place (grade).



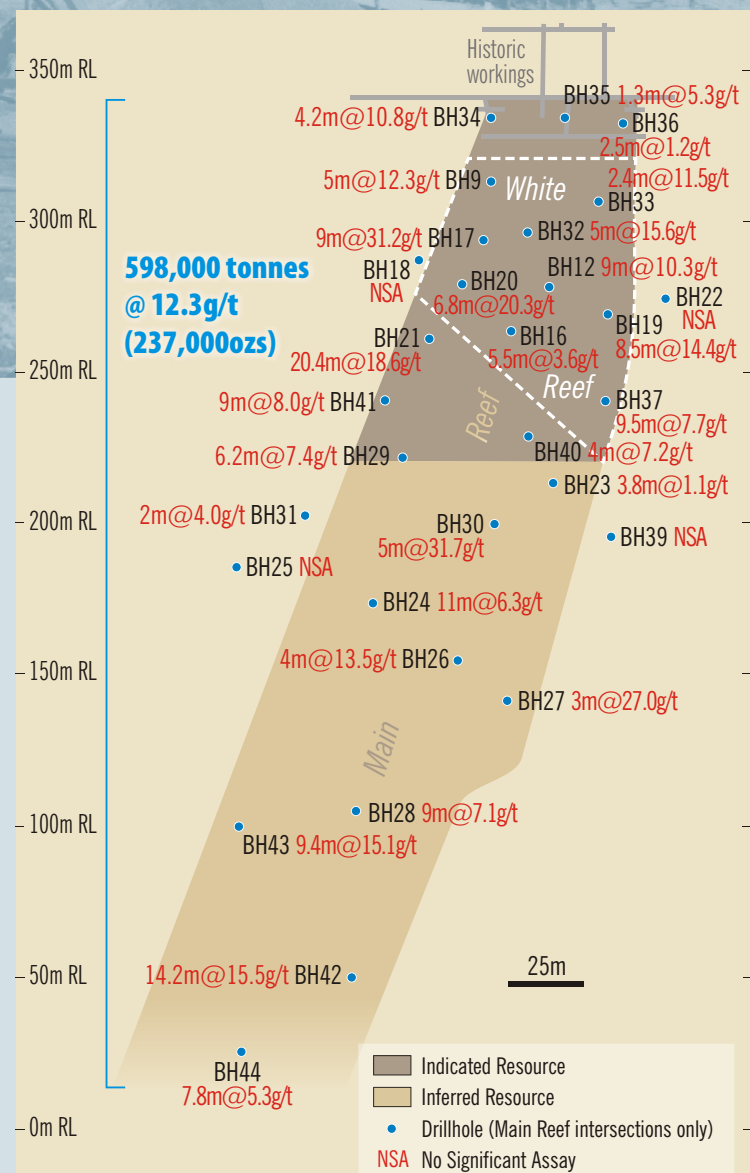
Exploration Manager's Report



Community Consultation

Regular independently-chaired public meetings have been held in Woodside at quarterly intervals, to gain input from the community on concerns about possible mine development and to provide feedback on Maximus' proposed responses to these concerns. The main concerns expressed, mainly through the local Woodside Ground Water Focus Group, have been about the potential effects of depressurisation of the aquifer at a possible mine site. The concerns relate to the possible deterioration of quantities and quality of water used by nearby irrigators as a result of this depressurisation. A proposed response to this issue is outlined below.

Figure 6 Long projection showing Bird in Hand resource status.



Exploration Manager's Report

Maximus is seeking a way to further explore and resolve water and other issues through the establishment of a more formal, transparent community engagement structure, and this proposal will be progressed at future meetings. Such processes are recommended by PIRSA and have been successful in guiding other recent project developments in the region, including the new Angas Mine at Strathalbyn and the recent mining lease approval at Kanmantoo.

Mining Pre-feasibility Studies

After having completed a positive scoping study during the year, Maximus is now carrying out a pre-feasibility study into the possible redevelopment of the Bird in Hand Mine.

At a recent public meeting, a possible solution to community concerns about depressurising

the aquifer in the mine area was proposed. This involves injecting groundwater under a Managed Aquifer Recharge (MAR) process.

A water pumping test has been proposed to test depressurisation and recharge of the aquifer by the MAR process. The MAR test would reinject water pumped from the mine area into the aquifer around the mine, thereby returning all water to the aquifer. If these tests demonstrate the groundwater aquifer can be depressurised with minimal impact on its water quality and quantity, then Maximus is of the opinion that a "water neutral" mining operation will be possible. Applications have been prepared for statutory approval for these pumping and MAR tests to be completed in early 2009 and their submission to the Department of Water, Land and Biodiversity Conservation is imminent.

DELORAINE GOLD MINE

The historic Deloraine Gold Mine is located 35 km northeast of Adelaide and 10 km northwest of Birdwood. Maximus has studied the geology and mining history of the Deloraine mine, which was the largest historical gold producer in the Adelaide Hills. Previous production of about 50,000 tonnes at 20 grams per tonne of gold for about 30,000 ounces was recorded.

In the Company's June Quarterly Report and an ASX release on 5 September 2008, Maximus outlined an estimated Exploration Target* at Deloraine based on the assumption that similar mineralisation to that already mined may extend to about 500 metres below the old workings. At average true widths of 3 or 4 metres, this target would amount to 0.8 to 1.1 million tonnes at a grade of 15 to 20 grams per tonne of gold.



* See page 5 for an explanation of Exploration Target.

Exploration Manager's Report

A recent Warden's Court decision has given Maximus approval to commence drill testing at the Deloraine Mine site, subject to certain conditions and compensation payments for residents living near the old mine area. Detailed planning of an initial drilling program is progressing while clarification of some aspects of the conditions is being sought from the Warden's Court.

EUREKA MINE

During the year, an access agreement was reached with the landholder for initial drill testing beneath old workings at this prospect, which is located two kilometres northwest of Bird in Hand. This small drilling program will be combined with the proposed program at Deloraine as a combined contract.

OTHER GOLD PROSPECTS IN ADELAIDE HILLS GOLD PROVINCE

KAPUNDA JOINT VENTURE

Maximus diluting to 75% subject to the Kapunda Joint Venture Agreement

The Kapunda Joint Venture covers the historic Kapunda copper mine and surrounding areas in the western part of EL3064 where Joint Venture manager, Copper Range Ltd, initially has a right to earn 51% equity in metalliferous minerals rights through expenditure of \$500,000 over five years.

In the current year, Copper Range Ltd has reported completion of a reappraisal of the project area, including geological mapping at mine sites, a review of previous exploration data, re-logging and re-assay of drillcore, and digital conversion of data.

Field exploration has focused on a possible extension to the south of Kapunda and the Stephens Mine area to the east, where anomalies were defined by Induced Polarisation (IP) geophysical surveys. Testing of the Kapunda South anomaly by a four-hole, 410 m RC drilling program has confirmed the presence of pyrite rich sulphide mineralisation (to 30%) and quartz veins similar to those which occur in the Kapunda mine. Some visible chalcopyrite can be seen in the core, but no estimate of copper content has been attempted. A single drillhole near the Stephens Mine intersected weaker pyrite mineralisation and quartz veins without obvious chalcopyrite. Assays of drilling samples from both areas are awaited.



NARNDÉE PROJECT, WESTERN AUSTRALIA

Maximus 90% to 100%

A comprehensive package of tenements has been acquired through negotiation with other parties, covering a total area of 5,500 square kilometres over the Windimurra and Narndee intrusive complexes in Western Australia. The tenure includes 34 granted exploration licences, 25 applications for exploration licences, 22 prescribed prospecting licences, and 42 applications for prescribed prospecting licences (see Figure 7 and the tenement schedule on page 29 for details).

During the current year, Maximus purchased a further 15 small tenements totalling 12.95 square kilometres in area from Mr J P Legendre, Mr B A Melville and Legend Resources Pty Ltd. Total consideration was \$25,000 in cash, one million ordinary Maximus shares, and one million Maximus

options exercisable before 2 July 2012 at 50 cents each. Fourteen of the tenements located in the area of the Canegrass Iron Ore Prospect (Figure 7) were acquired due to the strategic and practical advantage of holding all ground in an area where mining operations may be considered in future. The 15th tenement is located in the Milgoos area in the south of the project area (Figure 7).

Significant mineral occurrences identified in the project area to date, and shown in Figure 7, include:

- Vanadium-enriched magnetite iron ore in the lower part of the Canegrass Magnetic Zone (CMZ) of the Windimurra Complex, similar to the vanadium mineralisation to be mined by Windimurra Vanadium Limited at their Windimurra vanadium deposit.
- Magnetite iron ore (low vanadium) in the upper part of the CMZ.

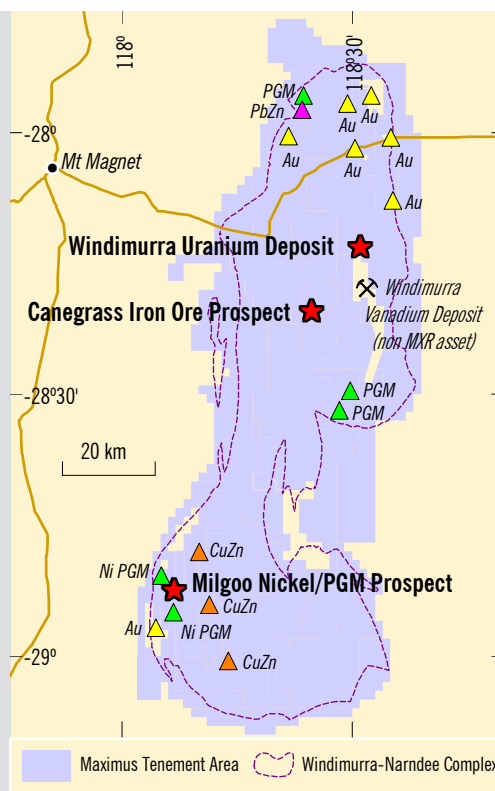


Figure 7 Location of tenement holdings, main prospects and known mineral occurrences at Narndee Project.

- Nickel, copper and platinum group metals (PGM) in the layered mafic intrusive bodies forming both the Narndee and Windimurra complexes.
- Calcrete-hosted uranium mineralisation in Windimurra, Wondinong and other palaeochannels overlying the older basement geology.
- Copper, lead and zinc in both felsic volcanic and structural settings within the basement geology.
- Gold in structures within the mafic complexes and in peripheral contact zones of the complexes.



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CANEGRASS PROSPECT – MAGNETITE IRON

Exploration at the Canegrass Prospect has progressed to the stage where preparations for a first round of drilling to define an inferred resource are nearing completion. This follows a period of systematic evaluation of the scope of the project, which extends over a length of 20 kilometres and a width of up to three kilometres, and the identification of areas where drilling programs to establish a resource should be focused.

Scoping of Canegrass Exploration Potential

Initial testing of the extent of vanadium bearing magnetite in the Canegrass area in late 2007 included extensive rock chip sampling and RC drilling (16 holes for 1,355 m) to test targets selected using broad-spaced airborne magnetic survey information. Significant drilling results are included in Table 4. Encouraging results from this work prompted a decision to conduct high resolution airborne magnetic surveys and gravity surveys over the prospect in early 2008. Assessment of the results of the above work provided evidence for the scope and very large scale of the potential Exploration Target at Canegrass, which was announced on 9 May 2008.

As a next step, concurrent RC and diamond drilling programs (Figure 8) were completed to identify parts of the magnetite

rich layered sequence holding the greatest potential for an iron ore resource, possible variations in the composition of magnetite rich zones, and areas where more detailed evaluation drilling should be focused. The locations of drill traverses were initially guided by magnetic and gravity interpretation and adjustments to these locations were made as information improved. The stronger magnetite mineralised intersections of significant drill width are summarised in Table 4.

Diamond drilling of four holes for a total of 2,126 m was completed in an attempt to achieve coherent intersections through the magnetite mineralised sequence at three locations, in Blocks 1 and 3 of the Canegrass area (Figure 8). The aim was to facilitate better interpretation of the geological and geophysical sequence, including variations in the distribution and composition



Exploration Manager's Report

of magnetite rich zones, and to provide material for metallurgical assessment. Assay results from significant magnetite rich intervals are summarised in Table 4.

The reconnaissance RC drilling program of 36 holes for 5,231 metres on widely spaced traverses (Figure 8) was designed to test the broad, extensive zone to provide general information on the distribution of magnetite and identify those magnetic zones where further work should be focused. This drilling was designed to cover a broad range of magnetic units (including some that proved not to be a priority for further work) as well as testing specific targeted horizons. Iron assay results from four-metre composite samples that average greater than 20% iron over significant widths are summarised in Table 4.

Results from both types of drilling confirm the presence of three thick

(up to 50 metres) zones containing abundant magnetite (designated Zones 1, 3, and 5) that will provide a focus for closer spaced RC drilling to establish continuity of magnetite rich zones and define an inferred resource (Figures 8 and 9). A key finding from the work is the relatively shallow dip of target units of about 20 degrees, which enhances the near-surface tonnage potential per vertical metre. Drillholes intersecting the lower gabbro, Zone 4 and the upper gabbro intersected generally thinner, weaker or more widely spaced magnetite horizons and will not be targeted in any further drilling. Some more magnetite rich units in Zones 2 and 4 may be of further interest where they are in close proximity to Zones 1 or 3, and Zone 5 respectively. Significant intersections of each of these target zones drilled during the past year are included in Table 4.

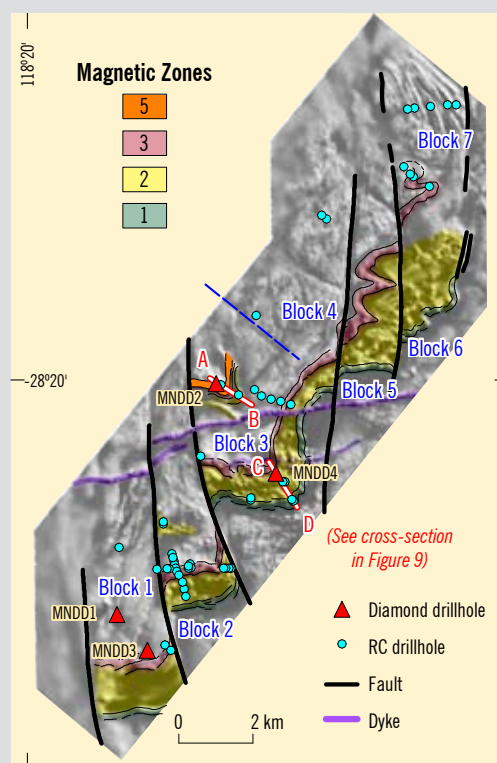


Figure 8 Canegrass Prospect area, showing fault blocks and mineralised zones together with recent diamond and RC drillhole locations and schematic section (Figure 9).

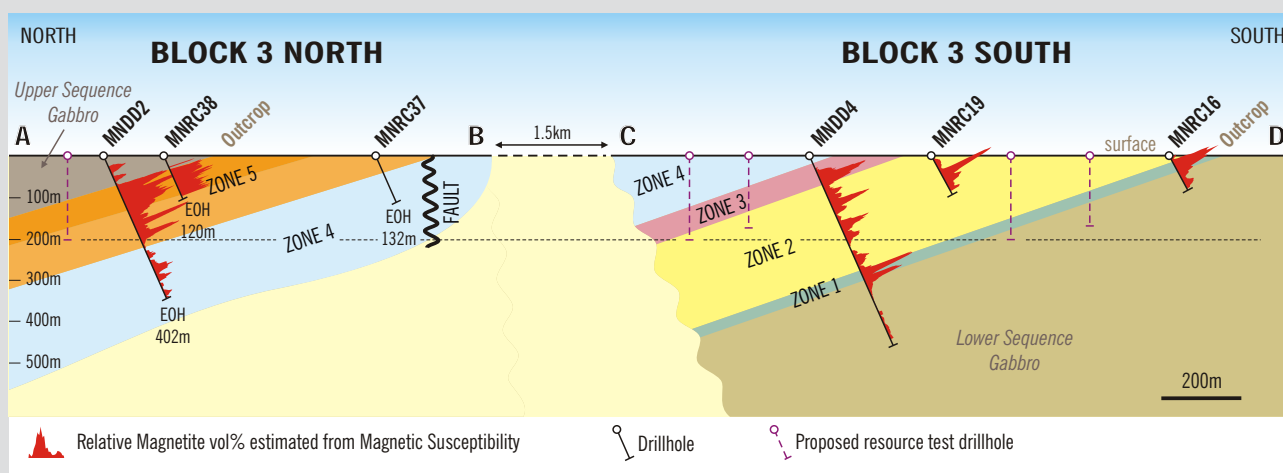


Figure 9 Schematic cross-section through holes MND2, RC38 and RC37 (A-B) at Block 3 North and MND4, RC19 and RC16 (C-D) at Block 3 South at the Canegrass Prospect.

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Table 4a Summary of significant analytical results for diamond drilling, Canegrass Prospect, Narndee Project, year to June 2008.

| Drillhole No. | Collar Easting | Collar Northing | Collar Azimuth / Dip | From | To | Interval | Iron | TiO ₂ | V ₂ O ₅ | Block/ Zone |
|----------------|----------------|-----------------|----------------------|--------------------------|--------------------------|---------------------|------------------------------|------------------------------|-------------------------------|-------------|
| | (MGA94 metres) | (MGA94 metres) | | (metres) | (metres) | (metres) | (%) | (%) | (%) | |
| MNDD0001 Incl. | 633047 | 6858804 | 180/ -75 | 356 386 402 410 | 430 416 416 416 | 74 30 14 6 | 17.7 21.5 22.8 27.9 | 5.69 6.01 7.42 | 0.42 0.46 0.56 | B1/Z3 |
| MNDD0001 | | | | 474 | 480 | 6 | 23.2 | 5.69 | 0.50 | Z2 |
| MNDD0001 | | | | 490 | 496 | 6 | 19.5 | 4.04 | 0.37 | Z2 |
| MNDD0001 | | | | 504 | 512 | 8 | 20.1 | 4.28 | 0.39 | Z2 |
| MNDD0001 Incl. | | | | 554 554 560 570 | 574 558 566 574 | 20 4 6 4 | 17.5 20.1 20.8 21.4 | 3.65 4.59 4.70 4.17 | 0.33 0.42 0.43 0.39 | Z2 |
| MNDD0002 | 635803 | 6865002 | 120/ -75 | 78 | 140 | 64 | 35.1 | 4.78 | 0.03 | B3 Z5 |
| MNDD0002 | | | 186 | 192 | 6 | 32.4 | 3.42 | 0.04 | Z5 | |
| MNDD0002 | | | 220 | 228 | 8 | 26.2 | 5.09 | 0.06 | Z5 | |
| MNDD0003 | 633850 | 6857818 | 180/ -75 | 262 | 278 | 16 | 20.5 | 5.35 | 0.39 | B1/ Z3 |
| MNDD0003 Incl. | | | | 288 296 | 302 302 | 14 6 | 21.3 26.6 | 5.45 7.04 | 0.40 0.52 | Z3 |
| MNDD0003 Incl. | | | | 432 458 | 482 482 | 50 24 | 22.4 26.1 | 4.69 5.62 | 0.41 0.50 | Z1-2 Z1 |
| MNDD0004 Incl. | 637380 | 6862553 | 135/ -65 | 50 50 | 72 62 | 22 12 | 23.4 24.5 | 4.95 5.16 | 0.43 0.44 | B3 Z3 |
| MNDD0004 | | | | 122 | 130 | 8 | 27.1 | 5.43 | 0.52 | Z2 |
| MNDD0004 | | | | 174 | 182 | 8 | 21.0 | 3.28 | 0.36 | Z2 |
| MNDD0004 Incl. | | | | 300 300 322 | 332 312 332 | 32 12 10 | 20.3 27.6 20.1 | 3.88 5.52 3.57 | 0.45 0.63 0.43 | Z1 |



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Table 4b Canegrass reverse circulation drilling results.

| Drillhole No. | Collar Easting | Collar Northing | Collar Azimuth / Dip | From | To | Interval | Iron | TiO ₂ | V ₂ O ₅ | Block/ Zone | Comments |
|---------------|----------------|-----------------|----------------------|----------|----------|----------|------|------------------|-------------------------------|-------------|----------|
| | (MGA94 metres) | (MGA94 metres) | | (metres) | (metres) | (metres) | (%) | (%) | (%) | | |
| MNRC0006 | 636000 | 6860030 | 090/ -60 | 20 | 29 | 9 | 28.5 | 5.97 | 0.53 | B2/Z2 | |
| MNRC0007 | 635940 | 6860030 | 090/ -60 | 48 | 61 | 13 | 26.9 | 5.68 | 0.52 | B2/Z2 | |
| MNRC0008 | 635000 | 6860030 | 180/ -60 | 69 | 81 | 12 | 23.6 | 6.57 | 0.47 | B2/Z3-4 | |
| MNRC0013 | 634330 | 6861290 | 180/ -60 | 0 | 12 | 12 | 27.4 | 3.54 | 0.13 | B3/Z4-5 | |
| MNRC0016 | 637860 | 6861810 | 135/ -60 | 0 | 36 | 36 | 33.3 | 7.94 | 0.84 | B3/Z1 | |
| Incl | | | | 7 | 24 | 17 | 44.1 | 11.62 | 1.18 | | |
| MNRC0017 | 637820 | 6861850 | 135/ -60 | 16 | 36 | 20 | 32.1 | 6.38 | 0.73 | B3/Z1 | |
| Incl | | | | 20 | 28 | 8 | 39.4 | 7.78 | 0.88 | | |
| MNRC0018 | | | | 20 | 32 | 12 | 24.5 | 5.23 | 0.47 | B3/Z2 | |
| MNRC0019 | 637580 | 6862330 | 090/ -60 | 44 | 52 | 8 | 29.5 | 6.47 | 0.58 | B3/Z2 | |
| MNRC0033 | 637547 | 6864499 | 106/ -60 | 36 | 48 | 12 | 23.4 | 6.41 | 0.23 | B3/Z3 | |
| MNRC0035 | 637032 | 6864651 | 106/ -60 | 0 | 16 | 16 | 21.0 | 5.28 | 0.05 | B3/Z4 | |
| MNRC0036 | 636836 | 6864833 | 106/ -60 | 4 | 24 | 20 | 25.7 | 3.99 | 0.05 | B3/Z4-5 | |
| MNRC0037 | 636408 | 6864689 | 120/ -60 | 0 | 44 | 44 | 21.7 | 3.31 | 0.04 | B3/Z4-5 | High MgO |
| MNRC0038 | | | | 42 | 114 | 72 | 34.1 | 5.85 | 0.02 | B3/Z5 | High MgO |
| MNRC0042 | | | | 140 | 156 | 13 | 22.4 | 6.06 | 0.45 | | |
| MNRC0044 | | | | 72 | 96 | 24 | 20.4 | 5.36 | 0.37 | B2/Z3 | |
| Incl | | | | 72 | 84 | 12 | 23.0 | 6.32 | 0.44 | | |
| MNRC0045 | 634726 | 6859852 | 165/ -60 | 12 | 52 | 40 | 22.1 | 5.90 | 0.42 | B2/Z3 | |
| Incl | | | | 24 | 48 | 24 | 22.9 | 6.16 | 0.45 | | |
| MNRC0047 | 635036 | 6860145 | 165/ -60 | 108 | 156 | 48 | 20.6 | 5.86 | 0.39 | B2/Z3 | |
| Incl | | | | 108 | 124 | 16 | 21.0 | 5.86 | 0.39 | | |
| MNRC0048 | | | | 64 | 104 | 40 | 22.2 | 5.97 | 0.42 | Z3 | |
| MNRC0049 | | | | 136 | 148 | 12 | 22.4 | 6.34 | 0.45 | | |
| MNRC0050 | 634495 | 6857835 | 127/ -60 | 0 | 36 | 36 | 22.0 | 5.96 | 0.42 | B1/Z3 | |
| MNRC0052 | 638837 | 6869396 | 120/ -60 | 24 | 44 | 20 | 24.4 | 5.45 | 0.03 | B4/Z5? | High MgO |
| MNRC0052 | | | | 64 | 92 | 28 | 20.6 | 3.39 | 0.03 | B4/Z5? | High MgO |
| MNRC0053 | 638710 | 6869500 | 129/ -60 | 44 | 64 | 20 | 25.4 | 4.66 | 0.03 | B4/Z5? | High MgO |
| MNRC0053 | | | | 80 | 100 | 20 | 20.0 | 3.00 | 0.03 | B4/Z5? | High MgO |
| MNRC0057 | | | | 20 | 32 | 12 | 22.2 | 3.27 | 0.03 | | |
| MNRC0057 | | | | 92 | 124 | 32 | 21.5 | 7.34 | 0.14 | B7/Z3? | |
| MNRC0058 | 641068 | 6872335 | 091/ -60 | 16 | 32 | 16 | 28.8 | 6.48 | 0.04 | B7/Z5? | High MgO |
| MNRC0058 | | | | 64 | 100 | 36 | 20.2 | 3.39 | 0.03 | B7/Z5? | High MgO |
| MNRC0059 | 641640 | 6870249 | 132/ -60 | 60 | 72 | 12 | 22.8 | 5.50 | 0.31 | B6/Z2 | |
| MNRC0060 | | | | 32 | 60 | 28 | 23.0 | 7.45 | 0.14 | B6/Z3 | |
| MNRC0061 | | | | 88 | 116 | 28 | 21.7 | 6.67 | 0.13 | B6/Z3 | |
| MNRC0062 | 640950 | 6870789 | 128/ -60 | 0 | 20 | 20 | 31.6 | 4.68 | 0.09 | B6/Z4 | |
| MNRC0062 | | | | 32 | 68 | 36 | 21.4 | 3.30 | 0.04 | B6/Z4 | |
| MNRC0062 | | | | 100 | 116 | 16 | 21.2 | 7.26 | 0.07 | B6/Z4 | |
| MNRC0063 | | | | 68 | 84 | 16 | 21.5 | 5.91 | 0.42 | B3/Z3 | |
| MNRC0064 | 637839 | 6861827 | 122/ -60 | 4 | 36 | 32 | 32.2 | 6.43 | 0.67 | B3/Z1 | |
| MNRC0066 | 634874 | 6859473 | 166/ -60 | 0 | 20 | 20 | 23.1 | 1.84 | 0.18 | B2/Z1? | |
| MNRC0067 | 634824 | 6859661 | 165/ -60 | 20 | 36 | 16 | 25.0 | 4.89 | 0.41 | B2/Z2 | |
| MNRC0067 | | | | 84 | 102 | 20 | 20.9 | 4.02 | 0.36 | B2/Z2 | |

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Preliminary Metallurgical Tests

Magnetic concentrates of over 50% iron were readily achieved with preliminary, standard Davis Tube tests. These were completed on bulk samples containing 20 to 40% iron from Zone 1 in drillhole RC16 (previously reported), Zone 3 in RC42, and Zone 5 in RC38. Best recovery is achieved in bands of fairly massive, coarse grained magnetite (Table 5).

Lower recovery of magnetite in standard tests may be due to the presence of finer grained, disseminated magnetite or locally higher iron contents in silicate minerals contained within the gabbro. Evaluation of the effect of such variations requires more sophisticated magnetic separation tests than have been completed to date. Geological logging and petrologic studies in progress at the end of the year will provide guidance for the design of these tests.

Proposed Resource Evaluation

In August, plans to proceed to resource evaluation drilling to define inferred resources in parts of Block 3 North and South were announced. The first phase of this resource drilling will focus on a 1.2 km length of Zone 1 in Block 3 South using a pattern of 200–400 m spaced vertical RC drillholes to test this target zone to a vertical depth of 200 m. An exploration target of between 50 and 100 million tonnes potentially containing 30–40% iron has been outlined in this smaller area of the 20 kilometre long CMZ.

Table 5 Preliminary Davis Tube separation results.

| Drillhole | Interval Downhole | % Magnetic Fraction | % Fe | % TiO ₂ | % V ₂ O ₅ |
|--------------------|-------------------|---------------------|------------------------|------------------------|---------------------------------|
| | (metres) | | (of magnetic fraction) | (of magnetic fraction) | (of magnetic fraction) |
| MNRC0007 | 56-57 | 54.20 | 57.37 | 13.23 | 1.33 |
| MNRC0012 | 64-65 | 14.35 | 55.82 | 18.26 | 0.80 |
| MNRC0012 | 65-66 | 55.30 | 54.33 | 19.19 | 0.65 |
| MNRC0012 | 66-67 | 43.05 | 53.76 | 19.24 | 0.73 |
| MNRC0012 | 67-68 | 47.65 | 55.65 | 18.93 | 0.65 |
| MNRC0012 | 68-69 | 37.15 | 54.43 | 19.34 | 0.72 |
| MNRC0016 | 16-17 | 44.00 | 58.25 | 12.87 | 1.46 |
| MNRC0016 | 17-18 | 43.90 | 58.38 | 12.99 | 1.45 |
| MNRC0016 | 18-19 | 38.85 | 58.50 | 12.74 | 1.44 |
| MNRC0016 | 19-20 | 48.30 | 58.87 | 12.51 | 1.46 |
| MNRC0017 | 24-25 | 43.75 | 59.35 | 11.52 | 1.47 |
| MNRC0017 | 25-26 | 48.80 | 59.35 | 11.50 | 1.50 |
| MNRC0017 | 26-27 | 44.60 | 58.92 | 11.67 | 1.54 |
| MNRC0017 | 27-28 | 45.15 | 58.01 | 11.60 | 1.50 |
| MNRC0042 | 140-160 | 23.45 | 52.02 | 16.28 | 0.07 |
| MNRC0038 | 44-62 | 29.37 | 54.85 | 16.52 | 0.08 |
| MNRC0038 | 67-78 | 40.27 | 49.46 | 10.58 | 0.04 |
| MNRC0038 | 88-109 | 23.39 | 49.87 | 13.55 | 0.13 |
| CGD-1 ¹ | 46 | NA ² | 57.2 | 12.6 | 1.05 |

¹ Drillhole completed by WMC Resources Limited in 1980.

² NA = Data not available.



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This initial pattern will provide valuable information on the dip and lateral continuity of the targeted zones, which will assist in decisions on the spacing of step-out drilling to test the broader exploration target of between 280 and 500 million tonnes potentially containing 30–40% iron in Block 3 South and Block 3 North (ASX announcement 25 August 2008). Note that these exploration targets outlined in Block 3 are separate from the Block 1 resource potential which was estimated at 1.7 to 3.0 billion tonnes of magnetite rich gabbro containing 20 to 35% magnetite announced to the ASX on 9 May 2008.

It is emphasised that the potential quantity and grade of the Block 3 North and Block 3 South mineralisation and the global potential announced on 9 May 2008 are partly conceptual in nature and there has not yet been sufficient

exploration to define a Mineral Resource. Furthermore, it is also uncertain if further exploration will result in the determination of a larger, smaller or any Mineral Resource.

Proposed Metallurgical Work

A program of more comprehensive metallurgical tests is planned to determine how extraction of saleable products based on the three valuable metals (iron, vanadium, and titanium), which are enriched to varying degrees in the Canegrass magnetite zones, can be achieved cost effectively. This involves an assessment of current and emerging markets for these commodities and their various combinations, as well as trialling of technical options available for their concentration and separation. This work will go well beyond the basic tests completed so far on magnetic separation of magnetite from the host rock.

SHEPHARDS PROSPECT – MAGNETITE IRON ORE AND VANADIUM

Preliminary RC drill traversing of that portion of the Shephards magnetic trend located within tenements held by Maximus was undertaken in the first half of the year. Six holes in three traverses for 463 metres of drilling were completed. Visual logging of drill cuttings showed variable percentages of magnetite to 50%. However, from analyses undertaken, the best intersection was only four metres from 68 metres, averaging 39% iron and 9.5% titanium oxide in hole MNRC0021. Vanadium results were generally less than 0.6%.

These results indicate that the intersection widths are not sufficiently encouraging to realise the exploration target announced in September 2007 and, as a consequence, Maximus has focused its ongoing exploration program for magnetite iron ore on the Canegrass prospect.



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WINDIMURRA URANIUM PROSPECT

The Windimurra Uranium Deposit is located about 15 km to the northeast of Maximus' Canegrass iron ore prospect (Figure 10).

On 20 December 2007, Maximus announced an Inferred Mineral Resource at the Windimurra Uranium Deposit, based on drilling completed last year, of 19 million tonnes at an average grade of 180 parts per million U_3O_8 (Table 6). The estimate used a cut off grade of 100 ppm U_3O_8 for a U_3O_8 content of 3,400 tonnes (7.5 million pounds). This resource is located between the surface and a depth of 6.5 metres.

Resource boundaries were open in at least two directions, and heritage clearances had been completed for further drilling, when extension work was suspended due to the previous Western Australian Government's policy against the mining of uranium. In September 2008, after the recent state election, the incoming Government clarified the situation on uranium mining such that Maximus decided to recommence evaluation of the Windimurra resource and the surrounding area. Work to advance the Inferred Resource to Indicated status, and commencement of a pre-feasibility study, can now proceed.

Newly acquired regional airborne electro-magnetic data has complemented existing radiometric imagery to aid future drill targeting. Deeper palaeochannels, which have not been tested by drilling to date, and with trends sub-parallel to those previously detected by radiometrics, are indicated.

Maximus is currently considering its approach to ongoing uranium exploration work, which may include continued independent exploration or a new joint venture arrangement.

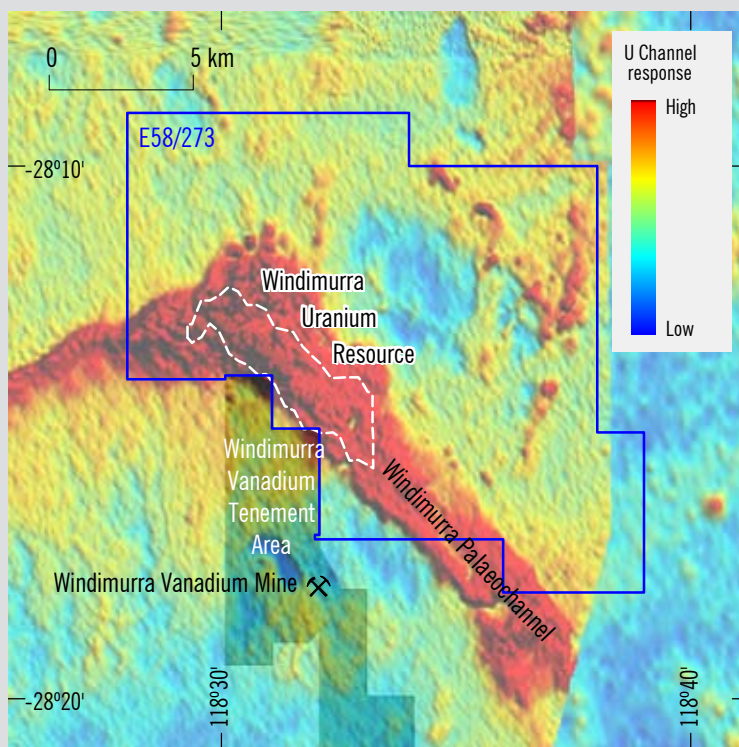


Figure 10 Location of radiometric anomalies and Inferred Mineral Resource defined to date at the Windimurra Uranium Prospect.

Table 6 Estimated Inferred Mineral Resource of uranium oxide, Windimurra Uranium Prospect.

| Tonnes | U_3O_8 | Contained U_3O_8 | Contained U_3O_8 |
|-------------------|----------|--------------------------|--------------------------|
| ($\times 10^6$) | (ppm) | Tonnes ($\times 10^3$) | Pounds ($\times 10^6$) |
| 19 | 180 | 3.4 | 7.5 |



MILGOO PROSPECT – NICKEL, COPPER, PLATINUM GROUP METALS

The Milgoos area near Narndee Homestead has been previously explored for nickel, copper and platinum group metals (PGM), but Maximus has been the first company to test the area with modern airborne electromagnetic (EM) surveys. A ground survey completed late last year over part of the Milgoos area was successful in detecting two conductive zones of potential interest, designated the Central and NW conductors (Figure 11).

Drilling of the two EM conductor zones late last year confirmed the presence of nickeliferous sulphide mineralisation and anomalous copper (Figure 11). Drilling of two holes on the 800 metre long Central Conductor recorded a best interval in hole MNRC2 of three metres from 99 metres down hole averaging 0.4% nickel and 0.5% copper. The 350 metre long NW Conductor was drilled by only one hole. This hole intersected three metres from

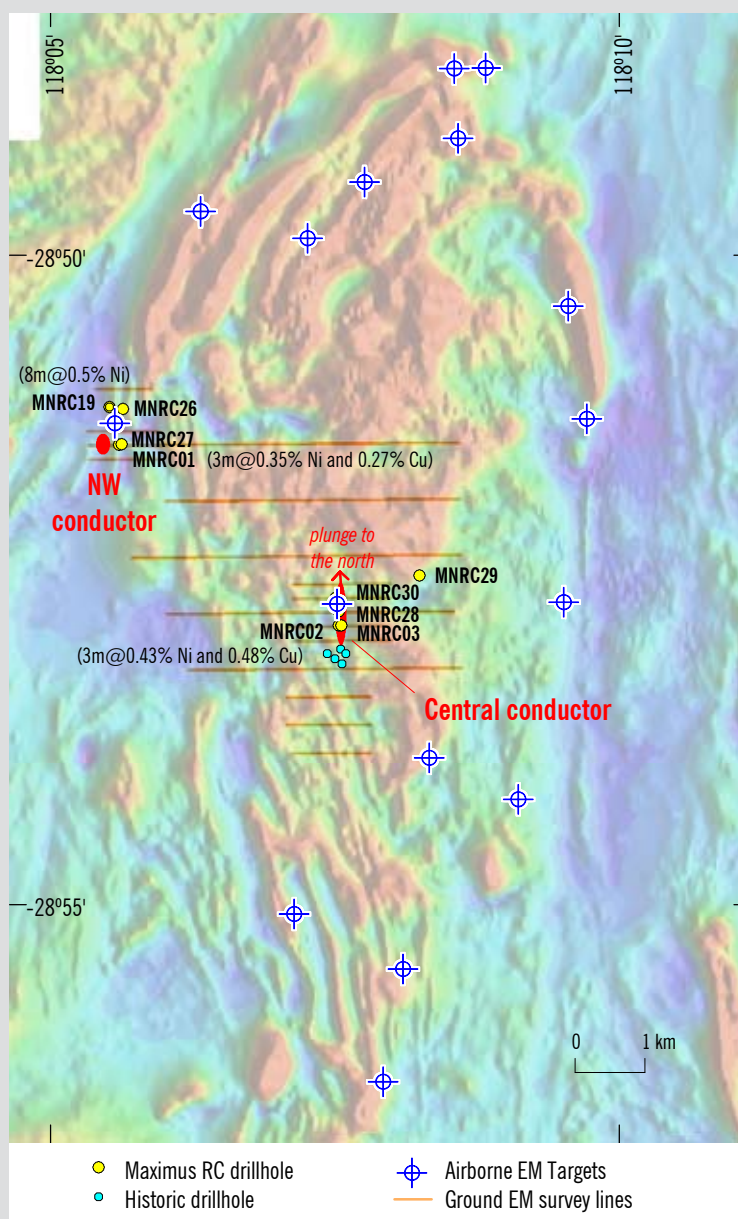


Figure 11 Airborne magnetic image with locations of drillholes, ground EM targets, new airborne REPTM targets, and significant drillhole assay results in the Milgoos Prospect area.



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145 metres down hole averaging 0.35% nickel and 0.27% copper in a sulphidic ultramafic unit.

Interpretation this year of down hole electromagnetic probing of the drillholes confirmed that conductors were intersected, but neither drill test has adequately covered the potential strike length of each target. Five RC holes were drilled in March to further test the mineralised zones intersected by the above drillholes and a previous Falconbridge drillhole intersection. These intersected similar widths of sulphides to those intersected in the previous holes, but assay results for nickel and copper, although anomalous, were disappointing. Interestingly, palladium levels were elevated, reaching levels of over 0.2 grams per tonne in several holes. Further downhole geophysical tests and drilling of these conductors is still required, but this work has been deferred pending the results of airborne EM surveys of the area and the priority given to testing of the Canegrass iron ore prospect.

During the year, as part of a regional airborne EM survey (described more fully below), closer spaced (200 m or 100 m) lines were flown over the Milgoos area. Preliminary interpretation of Milgoos data has already confirmed the presence of at least 16 pronounced anomalies, including the two previous ground EM anomalies confirmed by drilling to be due to nickel and copper anomalous sulphides. Many of the newly detected anomalies are associated with linear magnetic anomalies near the margins of what is believed to be an olivine and pyroxene rich (partly ultramafic) lobe of the Narndee Complex. Newly received regional gravity data confirm the presence of a pronounced gravity anomaly over this interpreted lobe, which is mostly covered by thin alluvium or colluvium. Ground validation of most of these anomalies is yet to be completed, but these new results have substantially upgraded the exploration potential of the Milgoos area for mafic intrusive associated polymetallic deposits.

NARNDÉE REGIONAL GEOPHYSICAL SURVEYS

During the year, Maximus completed a helicopter-borne EM survey of the total Narndee Project tenement area (Figure 12). Prior to undertaking the survey, the instrumentation was successfully trialled over the previously located ground EM anomalies at Milgoos and the Freddie's Well zinc-copper deposit at nearby Youanmi with the permission of current owners, Metals Australia Limited.

The Narndee airborne EM survey was flown on 400 metre spaced east-west lines for a total of 15,000 line kilometres of data covering both the extensive Narndee and Windimurra layered mafic complexes and the intervening metamorphic rocks and shear structures. Preliminary processed data have been received and ten strong anomalies other than those in the Milgoos area have already been identified from initial interpretation (Figure 12).

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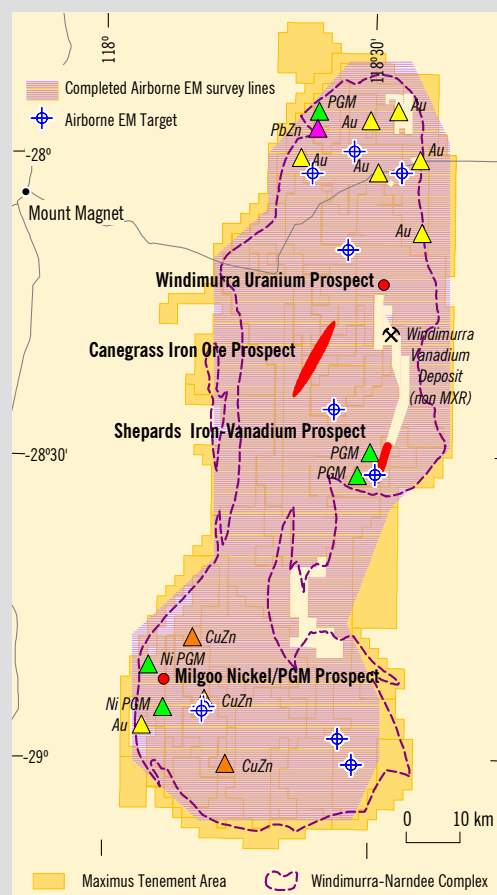
More detailed processing and interpretation over the coming months is likely to lead to identification of many more anomalies that could lead to the identification of significant nickel and/or copper-zinc massive sulphide mineralisation. Initial results from more detailed assessment of the data from the Milgoos area, as outlined above, are particularly encouraging in this regard.

Late in the year Maximus combined with the Geological Survey of Western Australia (GSWA) to fund improved gravity coverage of the entire Narndee project area through a helicopter supported survey at a station spacing of 1.8 km. Preliminary data being received are already providing valuable information on the structure and composition of the complex, as for example in the Milgoos area outlined above.

NARNDÉE RESEARCH

Approval has recently been received for Australian Research Council (ARC) funding of a cooperative research project involving the Australian National University (ANU), Maximus and GSWA. The project leader will be Professor Richard Arculus, specialist in magmatic systems at ANU, and will apply the research resources of ANU, detailed data and sample material from Maximus exploration, regional data from Maximus surveys, and GSWA mapping and research programs to improving our understanding of mineralisation and its controls in the Narndee and Windimurra complexes.

Figure 12 Narndee Project Area showing extent of survey lines completed, Maximus tenure and known mineral occurrences.



Exploration Manager's Report

IRONSTONE WELL GOLD PROJECT, WESTERN AUSTRALIA

90% Maximus

The Ironstone Well project area comprises a tenement package situated 50 km southeast of Wiluna and well positioned within the highly prospective Yandal Greenstone Belt (Figure 1). The tenement package comprises two granted exploration licences and 14 granted prospecting licences, covering 239 square kilometres. The project area includes three zones of known gold mineralisation and at least two other significant prospects (Figure 13). Joint venture partner Nemex Pty Ltd retains a 10% interest in the project area carried to the 'decision to mine'.

In the March Quarter of 2007, Maximus undertook 2,331 metres of RC drilling for 31 holes on the Flushing Meadows inferred mineral resource, previously estimated at 1.1 million tonnes of 1.7 grams gold per tonne (59,000 ounces of contained gold) on the basis of pre Maximus drilling. Most of this new drilling was focused on confirming the reliability of the pre Maximus drilling and, in general, the follow-up drilling supported that drilling. As a consequence, Maximus commissioned Runge Limited (formerly Resource

Evaluations Pty Ltd) to undertake a further resource estimate which would include all drilling to date. That estimate increased the overall resource to 81,000 ounces of contained gold and resulted in its recategorisation as indicated and inferred (Table 7). Maximus owns 90% or 73,000 ounces of the gold in this resource.

Due to commitments elsewhere, and despite interesting gold occurrences at the Quarter Moon and Oblique prospects (Figure 13), Maximus has not undertaken any additional drilling in the Ironstone Well project area. Further exploration has been limited to data assessments and the surface geological mapping of the

Flushing Meadows resource area. Interpretation of the mapping has confirmed that gold mineralisation may be concentrated by north-northwest structural trends. Several surface rock chip samples collected during the mapping included significant gold: 0.85 to 4.7 grams of gold per tonne (samples MXX163, 164 and 170), but each of the anomalous samples were spatially positioned over the known resource area.

Maximus has decided to pursue farming out of the Ironstone Well project area to interested parties. Further assessment of the Ironstone Well gold occurrences will continue after a suitable agreement can be negotiated.

Table 7 Flushing Meadows resource statement and parameters.

| Undiluted Mineral Resource (1 g/t Au cut-off) | | | |
|--|------------------|----------------|----------------|
| Class | Tonnes | Grade (g/t) | Au (ounces) |
| Measured | | | |
| Indicated | 815,000 | 1.7 | 45,000 |
| Inferred | 734,000 | 1.5 | 36,000 |
| Total | 1,549,000 | 1.6 | 81,000 |

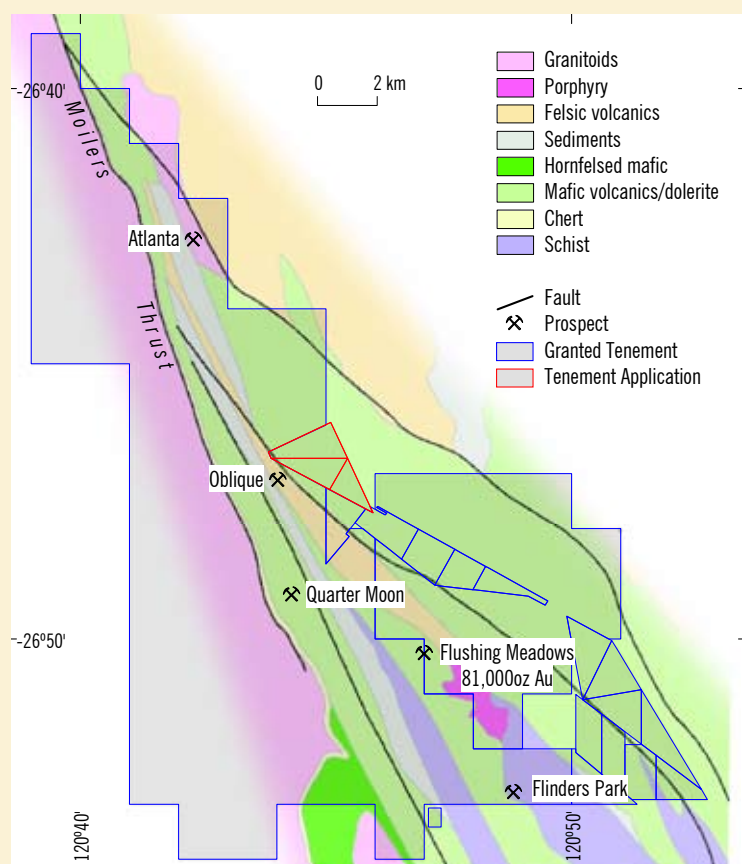


Figure 13 Location of the Ironstone Well Project prospects in the Yandal Greenstone Belt, Western Australia.

Exploration Manager's Report

JOINT VENTURE PROJECTS, SOUTH AUSTRALIA AND NORTHERN TERRITORY

BILLA KALINA, SOUTH AUSTRALIA

*Maximus diluting to 50% subject to
Billa Kalina JV Agreement*

The Billa Kalina project area comprises five exploration licences located 70 km northwest of the Olympic Dam copper-uranium-gold deposit and 45 km east of the Prominent Hill copper-gold deposit (Figure 1). The project is subject to a 50:50 joint venture with Eromanga Uranium Limited (ERO), which manages the joint venture.

Eromanga is exploring the Billa Kalina project for IOCGU deposits in the deeper basements rocks, and sandstone-hosted uranium mineralisation in the shallower sedimentary cover sequences. Drilling of the Billa Kalina gravity anomaly in 2007 highlighted the relatively shallow depths of sedimentary cover in this region

and the project's strategic position between Olympic Dam and Prominent Hill suggests that the exploration potential remains substantial.

During the year, Eromanga completed an airborne EM survey over the entire Billa Kalina project area. The EM data are being used with new detailed gravity data (collected by PIRSA) and magnetics to review the potential of the Billa Kalina tenements to host IOCGU mineralisation.

The EM data sets are also being used to identify the development of palaeodrainages in both the Mesozoic and Permian cover sequences that may be capable of hosting secondary uranium mineralisation. A coincident EM conductor and gravity low was drilled with three holes to test for sedimentary uranium potential. A minor radiometric anomaly was found to be sourced by Permian lignite and no further work is proposed at this target.

EROMANGA BASIN, SOUTH AUSTRALIA

*Maximus diluting to 30% subject to
Eromanga JV Agreement*

The Eromanga project areas comprise a total of 14 exploration licences and applications extending along the margins of the Eromanga Basin in South Australia and the Northern Territory (Figure 1). The tenure is considered highly prospective for sandstone hosted uranium mineralisation. All tenements are subject to a 30:70 joint venture agreement with ERO, which manages the joint venture.

Interpretation of EM data from helicopter borne regional surveys completed on the JV Abminga, Marree and Kingoonya tenement packages at the start of the year led to a number of new palaeodrainages being identified. Results of previously completed rotary mud drilling at Marree and on adjoining tenements have aided EM data interpretation. Several broad palaeochannel systems draining potential uranium-bearing rocks have been identified at both Abminga and Marree.

At Abminga, drilling of two channels has been completed, but to date no roll front position has been located. Negotiations continue for access to part of the JV area in the Northern Territory. Drilling of 20 holes on four discrete channel systems is expected in early 2009.

At Marree, drilling of three channels failed to intersect significant thickness of channel sands beneath conductive Bulldog Shales. Several discrete single flight line EM conductors that may be caused by massive sulphide accumulations within basement rocks require ground verification, planned for late 2008.

At Kingoonya, open file review, land access negotiations and interpretation continued.



Exploration Manager's Report

WOOLANGA GOLD AND BASE METALS PROJECT, NORTHERN TERRITORY

Maximus diluting to 51% and 75% subject to separate joint venture agreements

The Woolanga project area, comprising five exploration licences and one Authority covering 1,739 square kilometres, located 100 km northeast of Alice Springs. Maximus completed an agreement with Flinders Mines Limited (formerly Flinders Diamonds Limited) for the right to all non-diamond minerals within the tenement package prior to listing on the Australian Stock Exchange in October 2005.

The Woolanga tenement package includes the Johnnies Reward ironstone hosted copper–gold prospect and vermiculite occurrences of potential commercial grade.

During the reporting period, Maximus completed the farm-out of non-diamond minerals rights in the Woolanga project area under two separate agreements with Minotaur

Exploration Limited (Minotaur) and NuPower Resources Limited (NuPower). Details of the farm-out arrangements were included in a Maximus announcement to the ASX on 31 January 2008.

Field activities undertaken by Minotaur have included the completion of a ground based electromagnetic (EM) survey over the Johnnies Reward prospect. EM modelling indicates that exploration drilling by previous explorers intersected an EM conductor body located by the survey. Minotaur has also contributed to a regional gravity survey undertaken by the Northern Territory Department of Primary Industry, Fisheries and Mines (DPIFM), for which data are awaited.

Two RC/diamond holes at Johnnies Reward are planned to test down-dip extensions of copper–gold mineralisation previously intersected by Alcoa in DH2 (50 m at 0.98 g/t gold and 0.2% copper) and DH5 (21 m at 0.91 g/t gold and 0.49% Cu) in 1983 and 1984.

NuPower has conducted a groundwater sampling program and an airborne EM survey over sections of the joint venture tenements. Both the groundwater sampling and the EM survey are designed to detect palaeochannel drainages prospective for sandstone-hosted uranium. NuPower also contributed to the above mentioned DPIFM gravity survey of tenements included in the Strangway Joint Venture Agreement. NuPower reports that preliminary assessment of newly received, partially processed EM data indicates that the Ti Tree Basin extends into the north of the area, significantly enhancing potential for sandstone-hosted uranium targets.

RANKIN BASE METALS PROJECT, NORTHERN TERRITORY

Maximus diluting to 70% and 75% subject to the Woolanga–Rankin Joint Venture Agreement

The Rankin Base Metal project area comprises exploration licences EL9529 and EL22759, which enclose the Rankin and Gecko massive sulphide base metal prospects. The tenements cover 63 square kilometres of terrain contiguous with Maximus' Woolanga project area. Tanami Exploration NL retains a 5% interest carried to the point of 'decision to mine' in the exploration licences.

In the December 2007 quarter, Maximus negotiated a sale and purchase agreement with Queensland Energy Resources Limited (QER) for 100% ownership of Mineral Claim South Number 38 (MCS38), a small tenement which encloses the main gossan outcrop at the Gecko prospect. Details were included in a Maximus announcement to the ASX on 31 January 2008.

On 23 January 2008, Maximus completed the Woolanga–Rankin option/farm-in agreement with Minotaur as for the previously mentioned Woolanga exploration licences, as outlined in the Woolanga Gold and Base Metals Project section above.

Minotaur completed a ground EM survey over the Rankin prospect and has contributed to the DPIFM gravity survey that recently covered these tenements, for which data are awaited. Some ground follow up over the Rankin area has occurred.



Tenement schedule

For the year ended 30 June 2008

| Tenement Number | Tenement Name | Date Granted / Applied For | Expiry Date | Area (sq. km) | Registered Holder / Applicant | Related Agreement |
|-----------------|---------------|----------------------------|-------------|---------------|-------------------------------|-------------------|
|-----------------|---------------|----------------------------|-------------|---------------|-------------------------------|-------------------|

WESTERN AUSTRALIA

Narndee Project

| | | | | | | |
|----------|------------------------|------------|------------|-------|--|----------------------------------|
| E57/729 | Youanmi Downs | 4/04/08 | 3/04/13 | 75.0 | Maximus Resources Ltd | |
| E58/232 | Boulder Well | 29/07/02 | 28/07/09 | 50.0 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| E58/235 | Canegrass Well | 29/07/02 | 28/07/09 | 50.0 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| E58/236 | Challa | 22/03/02 | 21/03/09 | 50.0 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| E58/237 | Naluthanna Hill | 22/03/02 | 21/03/09 | 50.0 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| E58/240 | Windimurra | 11/03/02 | 10/03/09 | 50.0 | Bernfried Gunter Franz Wasse | Apex Sale Agreement |
| E58/270 | Wondinong Hill | 28/10/05 | 27/10/10 | 196.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E58/271 | Gingier Pool | 7/11/05 | 6/11/10 | 132.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E58/273 | Wagoo Hills | 4/05/07 | 3/05/12 | 196.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E58/274 | Paynesville | 5/03/03 | 4/03/10 | 98.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E58/281 | Boundary Well | 28/06/06 | 27/06/11 | 42.0 | Apex Minerals NL | Apex Sale Agreement |
| E58/282 | Honeypot | 3/05/07 | 2/05/12 | 25.0 | Apex Minerals NL | Apex Sale Agreement |
| E58/294 | Wondinong | 7/06/06 | 6/06/11 | 87.0 | Maximus Resources Ltd | Apex Sale Agreement |
| E58/295 | Windsor | 7/06/06 | 6/06/11 | 6.0 | Maximus Resources Ltd | Apex Sale Agreement |
| E58/300 | Kundingguari Hill | 1/12/06 | 30/11/11 | 42.0 | Henning Otto Hintze | Meeline Option Agreement |
| E58/309 | Brailia South | 22/01/07 | 21/01/12 | 17.0 | Maximus Resources Ltd | |
| E59/908 | Narndee | 8/09/00 | 7/09/08 | 98.0 | Apex Minerals NL(80) Tyson Resources P/L(6) Wedgetail Resources P/L(14) | Apex & Wedgetail Sale Agreement |
| E59/1078 | Tandy Bore | 14/11/02 | 13/11/09 | 59.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1081 | Dromedary Well | 14/11/02 | 13/11/09 | 54.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1083 | Narndee West | 14/11/02 | 13/11/09 | 53.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1084 | Moolyawarda Hill | 14/11/02 | 13/11/09 | 54.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1085 | Budnee | 14/11/02 | 13/11/09 | 54.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1087 | Bricky Bore | 6/06/07 | 5/06/12 | 196.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1088 | Dunns Tank | 24/10/06 | 23/10/11 | 196.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1111 | Tootawarra Well | 28/10/05 | 27/10/10 | 42.0 | Apex Minerals NL(80)/Mark Gareth Creasy (20) | Apex Sale Agreement |
| E59/1173 | Narndee Homestead | 23/11/2006 | 22/11/2011 | 60.0 | Kesli Chemicals Pty Ltd | Wedgetail Sale Agreement |
| E59/1174 | Mulermurra Well | 23/11/2006 | 22/11/2011 | 20.0 | Kesli Chemicals Pty Ltd | Wedgetail Sale Agreement |
| E59/1206 | Tootawarra East | 29/11/06 | 28/11/11 | 14.0 | Maximus Resources Ltd | Apex Sale Agreement |
| E59/1230 | Dromedary Hills | 8/02/2007 | 7/02/2012 | 200.0 | TE Johnston and Associates P/ L (40%), Corporate and Resource Consultants P/L (60%) | CRC Group Sale Agreement |
| E59/1231 | Boodanoo | 8/02/2007 | 7/02/2012 | 200.0 | TE Johnston and Associates P/ L (40%), Corporate and Resource Consultants P/L (60%) | CRC Group Sale Agreement |
| E59/1237 | Yalanga Tank | 25/01/2007 | 24/01/2012 | 43.0 | TE Johnston and Associates P/ L (40%), Corporate and Resource Consultants P/L (60%) | CRC Group Sale Agreement |
| E59/1238 | Carwoola Dam | 22/01/2007 | 21/01/2012 | 20.0 | TE Johnston and Associates P/ L (40%), Corporate and Resource Consultants P/L (60%) | CRC Group Sale Agreement |
| E59/1252 | Boodanoo Well | 21/06/07 | 20/06/12 | 48.0 | Maximus Resources Ltd | |
| E59/1335 | 4 Corner Bore | 17/04/08 | 16/04/13 | 50.0 | Apex Minerals NL(80) Tyson Resources P/L(6) Wedgetail Resources P/L(14) | Apex & Wedgetail Sale Agreements |
| P58/1139 | Mullybraya (John Bore) | 2/11/04 | 1/11/08 | 0.8 | Christopher Richard Elkington (25%), Peter William Youngs (50%), Darian Sampey (25%) | Meeline Option Agreement |
| P58/1147 | Challa E1 | 5/11/04 | 4/11/08 | 2.0 | Alan Hunter Younger (25%), Christopher Richard Elkington (25%), Peter William Youngs (25%), Roger Townend (25%) | Meeline Option Agreement |
| P58/1148 | Challa E2 | 5/11/04 | 4/11/08 | 2.0 | Raimunda Silva Townend (25%), Alan Hunter Younger (25%), Christopher Richard Elkington (25%), Peter William Youngs (25%) | Meeline Option Agreement |
| P58/1174 | Windimurra W4 | 3/04/07 | 2/04/11 | 1.5 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P58/1175 | Windimurra W5 | 3/04/07 | 2/04/11 | 1.0 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P58/1176 | Windimurra W6 | 3/04/07 | 2/04/11 | 1.5 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P58/1199 | | 3/04/07 | 2/04/11 | 0.7 | Bernfried Gunter Franz Wasse | Apex Sale Agreement |
| P58/1201 | | 3/04/07 | 2/04/11 | 0.2 | Bernfried Gunter Franz Wasse | Apex Sale Agreement |
| P58/1333 | Brailia Southeast | 18/09/06 | 17/09/10 | 1.3 | Maximus Resources Ltd | |

Tenement schedule

For the year ended 30 June 2008

| Tenement Number | Tenement Name | Date Granted / Applied For | Expiry Date | Area (sq. km) | Registered Holder / Applicant | Related Agreement |
|-----------------|------------------------|----------------------------|-------------|---------------|--|----------------------------------|
| P58/1379 | Milgoo E1 | 13/11/07 | 12/11/11 | 0.9 | Peter William Youngs (50%), Imtraud Margarete Ursula Lachmund (50%) | Meeline Option Agreement |
| P58/1380 | Milgoo E2 | 13/11/07 | 12/11/11 | 1.2 | Peter William Youngs (50%), Imtraud Margarete Ursula Lachmund (50%) | Meeline Option Agreement |
| P58/1381 | Mingyngura Hill | 13/11/07 | 12/11/11 | 2.0 | Christopher Richard Elkington (25%), Peter William Youngs (50%), Darian Sampey (25%) | Meeline Option Agreement |
| P58/1382 | Nulyercarnyer Hill | 13/11/07 | 12/11/11 | 2.0 | Peter William Youngs (50%), Imtraud Margarete Ursula Lachmund (50%) | Meeline Option Agreement |
| P59/1563 | Windimurra W1 | 16/12/04 | 15/12/08 | 1.3 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P59/1565 | Windimurra W2 | 16/12/04 | 15/12/08 | 0.2 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P59/1566 | Windimurra W3 | 16/12/04 | 15/12/08 | 0.5 | Windimurra Resources Pty Ltd | Apex Sale Agreement |
| P59/1616 | | 3/04/07 | 2/04/11 | 1.3 | Bruce Robert Legendre(15), Voermans Geological Services Pty Ltd (15) & Wedgetail Resources Pty Ltd (70) | Apex & Wedgetail Sale Agreements |
| P59/1619 | | 3/04/07 | 2/04/11 | 0.4 | Bruce Robert Legendre(15), Voermans Geological Services Pty Ltd (15) & Wedgetail Resources Pty Ltd (70) | Apex & Wedgetail Sale Agreements |
| P59/1757 | Warnambar Soak | 22/01/07 | 21/01/11 | 0.4 | Maximus Resources Ltd | |
| P59/1811 | Corner Bore 1 | 28/12/07 | 27/12/11 | 1.5 | Apex Minerals NL(80) Tyson Resources P/L(6) Wedgetail Resources P/L(14) | Apex & Wedgetail Sale Agreements |
| P59/1812 | Corner Bore 2 | 28/12/07 | 27/12/11 | 1.0 | Apex Minerals NL(80) Tyson Resources P/L(6) Wedgetail Resources P/L(14) | Apex & Wedgetail Sale Agreements |
| P59/1813 | Corner Bore 3 | 28/12/07 | 27/12/11 | 1.0 | Apex Minerals NL(80) Tyson Resources P/L(6) Wedgetail Resources P/L(14) | Apex & Wedgetail Sale Agreements |
| E57/728 | Watson Well | 22/05/07 | | 200.0 | Maximus Resources Ltd | |
| E58/244 | Paynesville E1 | 7/10/99 | | 3.0 | Christopher Richard Elkington (25%), Peter William Youngs (50%), Darian Sampey (25%) | Meeline Option Agreement |
| E58/254 | Sand Hill Well | 29/09/00 | | 108.0 | Alan Hunter Younger (25%), Christopher Richard Elkington (25%), Peter William Youngs (25%), Roger Townend (25%) | Meeline Option Agreement |
| E58/257 | Yarrie Bore | 27/11/00 | | 183.0 | Raimunda Silva Townend (25%), Alan Hunter Younger (25%), Christopher Richard Elkington (25%), Peter William Youngs (25%) | Meeline Option Agreement |
| E58/356 | Mount Ford | 27/07/07 | | 212.0 | Maximus Resources Ltd | |
| E58/357 | Kantie Murdana Hill | 27/07/07 | | 212.0 | Maximus Resources Ltd | |
| E58/358 | Pipeline | 27/07/07 | | 157.0 | Maximus Resources Ltd | |
| E58/359 | Bundy Well | 27/07/07 | | 211.0 | Maximus Resources Ltd | |
| E58/360 | Kyle Kyle Well | 27/07/07 | | 211.0 | Maximus Resources Ltd | |
| E59/1365 | Kurrajong Bore | 1/05/07 | | 6.0 | Maximus Resources Ltd | |
| E59/1366 | Doodhoowooroo Rockhole | 1/05/07 | | 49.0 | Maximus Resources Ltd | |
| E59/1367 | Wydgee B | 1/05/07 | | 9.0 | Maximus Resources Ltd | |
| E59/1368 | Minjin Bore | 1/05/07 | | 3.0 | Maximus Resources Ltd | |
| E59/1370 | Warrambo | 1/05/07 | | 3.0 | Maximus Resources Ltd | |
| E59/1381 | Redhead Dam | 22/05/2007 | | 21.0 | Maximus Resources Ltd | |
| E59/1383 | Yardiaco Hill | 22/05/2007 | | 200.0 | Maximus Resources Ltd | |
| E59/1384 | Muleryon Hill | 22/05/2007 | | 192.0 | Maximus Resources Ltd | |
| E59/1412 | Corner Well | 27/07/2007 | | 211.0 | Maximus Resources Ltd | |
| E59/1413 | Pickleby Rockhole | 27/07/2007 | | 211.0 | Maximus Resources Ltd | |
| E59/1414 | Pindarie Well | 27/07/2007 | | 123.0 | Maximus Resources Ltd | |
| E59/1415 | Milgoo Well | 27/07/2007 | | 27.0 | Maximus Resources Ltd | |
| E59/1416 | Tootawarra East | 27/07/2007 | | 18.0 | Maximus Resources Ltd | |
| E59/1417 | Yarrabee Dam | 27/07/2007 | | 210.0 | Maximus Resources Ltd | |
| E59/1418 | Thotowawardy Well | 27/07/2007 | | 3.0 | Maximus Resources Ltd | |
| E59/1419 | Pindabunna | 27/07/2007 | | 99.0 | Maximus Resources Ltd | |
| P58/1403 | Challa A | 1/05/07 | | 1.4 | Maximus Resources Ltd | |
| P58/1404 | Challa B | 1/05/07 | | 0.5 | Maximus Resources Ltd | |
| P58/1418-1443 | Various PPLs (26) | 21/09/07 | | | Maximus Resources Ltd | |

Tenement schedule

For the year ended 30 June 2008

| Tenement Number | Tenement Name | Date Granted / Applied For | Expiry Date | Area (sq. km) | Registered Holder / Applicant | Related Agreement |
|-------------------------------|------------------|----------------------------|----------------------------|---------------|---|------------------------------------|
| P58/1444-1445 | Various PPLs (2) | 15/10/07 | | | Maximus Resources Ltd | |
| P58/1449-1450 | Various PPLs (2) | 10/06/08 | | | Maximus Resources Ltd | |
| P59/1865-1873 | Various PPLs (9) | 21/09/07 | | | Maximus Resources Ltd | |
| P59/1900 | | 10/06/08 | | 0.2 | Maximus Resources Ltd | |
| Duketon Project | | | | | | |
| E37/925 | Woodarra | 23/04/08 | 22/04/13 | 67.0 | Maximus Resources Ltd | |
| Ironstone Well Project | | | | | | |
| E53/1223 | Ironstone Well | 25/01/07 | 24/01/12 | 188.0 | Maximus Resources Limited(90)Nemex Pty Ltd(10) | Nemex Agreement |
| E53/1224 | Flushing Meadows | 25/01/07 | 24/01/12 | 56.0 | Maximus Resources Limited(90)Nemex Pty Ltd(10) | Nemex Agreement |
| P53/1209 | Barwidgee | 8/08/05 | 7/08/09 | 1.7 | AM-Australian Minerals Exploration P/L | Nemex Agreement |
| P53/1308 | Outcamp Well 1 | 12/06/08 | 11/06/12 | 1.8 | Mark Gareth Creasy(30)Newmont Yandal Operations P/L(70) | Nemex Agreement |
| P53/1309 | Outcamp Well 2 | 12/06/08 | 11/06/12 | 1.8 | Mark Gareth Creasy(30)Newmont Yandal Operations P/L(70) | Nemex Agreement |
| P53/1310 | Outcamp Well 3 | 12/06/08 | 11/06/12 | 1.4 | Mark Gareth Creasy(30)Newmont Yandal Operations P/L(70) | Nemex Agreement |
| P53/1311 | Outcamp Well 4 | 12/06/08 | 11/06/12 | 1.0 | Mark Gareth Creasy(30)Newmont Yandal Operations P/L(70) | Nemex Agreement |
| P53/1312 | Outcamp Well 5 | 12/01/07 | | 1.8 | Australian Metals Corporation P/L(20)Eagle Mining P/L(51) Hunter Resources P/L(29) | Nemex Agreement |
| P53/1313 | Outcamp Well 6 | 12/01/07 | | 1.3 | Australian Metals Corporation P/L(20)Eagle Mining P/L(51) Hunter Resources P/L(29) | Nemex Agreement |
| P53/1314 | Outcamp Well 7 | 12/01/07 | | 1.0 | Australian Metals Corporation P/L(20)Eagle Mining P/L(51) Hunter Resources P/L(29) | Nemex Agreement |
| P53/1315 | Outcamp Well 8 | 12/06/08 | 11/06/12 | 1.9 | Eagle Mining P/L(71)Hunter Resources P/L(29) | Nemex Agreement |
| P53/1316 | Outcamp Well 9 | 12/06/08 | 11/06/12 | 1.8 | Eagle Mining P/L(71)Hunter Resources P/L(29) | Nemex Agreement |
| P53/1317 | Outcamp Well 10 | 12/06/08 | 11/06/12 | 1.8 | Eagle Mining P/L(71)Hunter Resources P/L(29) | Nemex Agreement |
| P53/1318 | Outcamp Well 11 | 12/06/08 | 11/06/12 | 1.9 | Eagle Mining P/L(71)Hunter Resources P/L(29) | Nemex Agreement |
| P53/1319 | Outcamp Well 12 | 12/06/08 | 11/06/12 | 1.7 | Newmont Yandal Operations P/L | Nemex Agreement |
| P53/1320 | Outcamp Well 13 | 12/06/08 | 11/06/12 | 1.6 | Newmont Yandal Operations P/L | Nemex Agreement |
| P53/1321 | Outcamp Well 14 | 12/06/08 | 11/06/12 | 1.9 | Newmont Yandal Operations P/L | Nemex Agreement |
| P53/1322 | Outcamp Well 15 | 12/06/08 | 11/06/12 | 1.4 | Newmont Yandal Operations P/L | Nemex Agreement |
| P53/1323 | Outcamp Well 16 | 12/06/08 | 11/06/12 | 0.3 | Newmont Yandal Operations P/L | Nemex Agreement |
| M53/858 | Doublehole Well | 15/01/99 | | | Australian Metals Corporation P/L(20)Eagle Mining P/L(51) Hunter Resources P/L(29) | Nemex Agreement |
| Police Valley Project | | | | | | |
| E80/3670 | Police Valley | 20/04/06 | | 348.0 | Flinders Diamonds Ltd(50)Maximus Resources Ltd(50) | |
| SOUTH AUSTRALIA | | | | | | |
| Adelaide Hills Project | | | | | | |
| EL 3215 | Lobethal | 24/06/04 | 23/06/09 | 341 | Flinders Mines Limited | Flinders Agreement |
| EL 3425 | Echunga | 19/10/05 | 18/10/2007 Extn pending | 253 | Flinders Mines Limited | Flinders Agreement |
| EL 3534 | Mt Pleasant | 30/03/06 | 29/03/2008 Extn pending | 719 | Flinders Mines Limited | Flinders Agreement |
| EL 4091 | Mt Barker | 25/02/08 | 24/02/09 | 162 | Flinders Mines Limited | Flinders Agreement |
| EL 4131 | Kapunda | 28/04/08 | 27/04/09 | 746 | Flinders Mines Limited | Flinders & Copper Range Agreements |
| EL 3141 | Brukungu | 24/10/03 | 23/10/2007 Extn pending | 176 | Flinders Mines Limited | Flinders Agreements |
| EL 3239 | Tarlee | 10/09/04 | 09/09/2007 Extn pending | 533 | Flinders Mines Limited | Flinders Agreement |
| ELA 251/06 | Mount Monster | 16/05/06 | | 575 | Maximus Resources Limited | Flinders Agreement |
| ELA 252/06 | Williamstown | 16/05/06 | | 44 | Maximus Resources Limited | Flinders Agreement |
| ELA 106/07 | Tepko | 5/03/07 | | 160 | Maximus Resources Limited | Flinders Agreement |
| EL 3920 | Mount Rufus | 3/09/07 | 2/09/08 | 102 | Maximus Resources Limited | Flinders Agreement |
| Billa Kalina Project | | | | | | |
| EL 3526 | Francis | 23/02/06 | 22/02/2008 Extn pending | 734 | Flinders Mines Limited | Flinders Agreement |

Tenement schedule

For the year ended 30 June 2008

| Tenement Number | Tenement Name | Date Granted / Applied For | Expiry Date | Area (sq. km) | Registered Holder / Applicant | Related Agreement |
|-------------------------|-----------------|----------------------------|----------------------------|---------------|-------------------------------|--------------------|
| EL 3525 | Margaret | 23/02/06 | 22/02/2008 Extn pending | 771 | Flinders Mines Limited | Flinders Agreement |
| EL 3170 | Billa Kalina | 25/02/04 | 22/02/2008 Extn pending | 1,435 | Flinders Mines Limited | Flinders Agreement |
| EL 3337 | Welcome Creek | 19/05/05 | 18/05/2008 Extn pending | 373 | Flinders Mines Limited | Flinders Agreement |
| EL 3338 | Millers Creek | 19/05/05 | 18/05/2008 Extn pending | 771 | Flinders Mines Limited | Flinders Agreement |
| Eromanga Project | | | | | | |
| EL 3579 | Calcutta | 21/06/06 | 20/06/09 | 984 | Maximus Resources Limited | Eromanga Agreement |
| EL3578 | Dalarinna Hill | 21/06/06 | 20/06/09 | 1000 | Maximus Resources Limited | Eromanga Agreement |
| EL3577 | Wilpoorina | 21/06/06 | 20/06/09 | 962 | Maximus Resources Limited | Eromanga Agreement |
| EL3574 | Mundowdna | 21/06/06 | 20/06/09 | 963 | Maximus Resources Limited | Eromanga Agreement |
| EL3575 | Marla | 21/06/06 | 20/06/2008 Extn pending | 988 | Maximus Resources Limited | Eromanga Agreement |
| EL3599 | Alberga River | 17/07/06 | 16/07/08 | 903 | Maximus Resources Limited | Eromanga Agreement |
| EL 3600 | Mt Weir | 17/07/06 | 16/07/08 | 959 | Maximus Resources Limited | Eromanga Agreement |
| EL 3601 | Warrataddy Hill | 17/07/06 | 16/07/08 | 963 | Maximus Resources Limited | Eromanga Agreement |
| EL 3602 | Mt Anthony | 17/07/06 | 16/07/08 | 966 | Maximus Resources Limited | Eromanga Agreement |
| EL3576 | Whymlet | 21/06/06 | 20/06/09 | 973 | Maximus Resources Limited | Eromanga Agreement |
| EL3573 | Haggard Hill | 21/06/06 | 20/06/09 | 859 | Maximus Resources Limited | Eromanga Agreement |
| EL 3590 | Bon Bon | 22/06/06 | 21/06/09 | 667 | Maximus Resources Limited | Eromanga Agreement |
| EL3591 | McDouall Peak | 22/06/06 | 21/06/09 | 980 | Maximus Resources Limited | Eromanga Agreement |
| EL 3613 | Phar Lap | 15/08/06 | 14/08/08 | 581 | Maximus Resources Limited | Eromanga Agreement |

NORTHERN TERRITORY

Woolanga Project

| | | | | | | |
|----------|------------------|----------|----------|--------|---------------------------|--------------------------------------|
| EL 23592 | Johnnies Reward | 12/2/03 | 11/02/09 | 48.0 | Flinders Diamonds Limited | Flinders Agreement & Minotaur Option |
| A 23714 | Mud Tank Reserve | 11/11/04 | 10/11/10 | 27.9 | Flinders Diamonds Limited | Flinders Agreement |
| SEL25055 | Strangways | 13/6/06 | 12/06/10 | 1118.0 | Flinders Diamonds Limited | Flinders & NuPower Agreements |
| SEL25056 | Mud Tank-Alcoota | 13/6/06 | 12/06/10 | 520.0 | Flinders Diamonds Limited | Flinders & NuPower Agreements |
| EL26440 | Laughlen | 14/4/08 | 13/04/14 | 25.0 | Maximus Resources Limited | |

Rankin Project

| | | | | | | |
|---------|--------------|------------|----------|------|--|------------------------------------|
| EL9529 | Rankin | 14/05/2002 | 13/05/10 | 47.0 | Maximus Resources Ltd (95%) Tanami Exploration NL (5%) | Tanami Agreement & Minotaur Option |
| EL22759 | Gecko | 2/04/2002 | 1/04/10 | 16.0 | Maximus Resources Ltd (95%) Tanami Exploration NL (5%) | Tanami Agreement & Minotaur Option |
| MCS38 | Little Gecko | 22/03/1984 | 31/12/09 | 0.3 | Maximus Resources Limited | Minotaur Option |

Eromanga Project

| | | | | | | |
|---------|---------------|------------|----------|--------|---------------------------|--------------------|
| EL25161 | Illogwa Creek | 24/01/2006 | | 1117.0 | Maximus Resources Limited | Eromanga Agreement |
| EL25162 | Numery | 16/11/2006 | 15/11/12 | 216.0 | Maximus Resources Limited | Eromanga Agreement |
| EL25163 | Mt Peterswald | 16/11/2006 | 15/11/12 | 1130.0 | Maximus Resources Limited | Eromanga Agreement |
| EL25166 | Jenkins Bluff | 16/11/2006 | 15/11/12 | 1005.0 | Maximus Resources Limited | Eromanga Agreement |

QUEENSLAND

Sellheim Project

| | | | | | | |
|-----------|------------------|------------|------------|-------|---|---------------------------|
| ML10269 | Slim Chance | 13/11/2003 | 30/11/2008 | 0.13 | Peter Lawrence Harvey | Sellheim Option Exercised |
| ML10270 | Next Chance | 13/11/2003 | 30/11/2008 | 0.50 | Peter Lawrence Harvey | Sellheim Option Exercised |
| ML10328 | Sellheim | 1/12/2006 | 30/11/2026 | 3.27 | Alan Raney Stiff and Colleen Margaret Budge | Sellheim Option Exercised |
| EPM 13499 | Mount Richardson | 1/03/2004 | 28/02/2009 | 11.00 | Peter Harvey | Sellheim Option Exercised |
| EPM 15778 | Sellheim River | 19/12/2007 | 18/12/2012 | 63.00 | Alan Raney Stiff and Colleen Margaret Budge | Sellheim Option Exercised |
| EPM 17573 | Douglas Creek | 21/04/2008 | | | Maximus Resources Limited | |

Financial Report

For the year ended 30 June 2008

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MAXIMUS RESOURCES LIMITED

ABN 74 111 977 354

Corporate Governance Statement

The Board of Directors of Maximus Resources Limited has established corporate governance policies and procedures, where practicable, consistent with the revised Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council ("ASX Recommendations").

The following statement sets out a summary of the Company's corporate governance practices that were in place during the financial year and how those practices relate to the revised Corporate Governance Principles and Recommendations issued by the Australian Stock Exchange Corporate Governance Council ("ASX Recommendations"). The Company has elected to undergo an early transition to the revised Principles and Recommendations and as such has reported against these for the financial year ending 30 June 2008.

These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an effective, quality and integrity outcome. The Corporate Governance Council has recognised that a "one size fits all" approach to Corporate Governance is not required. Instead, it states aspirations of best practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.

The Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company.

PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Recommendation followed

The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the Company in 2006.

The role of the Board is to provide leadership and direction to management and to agree with management the aims, strategies and policies of the Company for the protection and enhancement of long-term shareholder value.

The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. In fulfilling its responsibilities, the Board is supported by an Audit Committee to deal with internal control, ethical standards and financial reporting.

The Board appoints a Managing Director responsible for the day to day management of the Company including management of financial, physical and human resources, development and implementation of risk management, internal control and regulatory compliance policies and procedures, recommending strategic direction and planning for the operations of the business and the provision of relevant information to the Board.

The Board has not adopted a formal statement of matters reserved to it or a formal board charter that details its functions and responsibilities nor a formal statement of the areas of authority delegated to senior executives.

Recommendation 1.2 – Recommendation followed

The Board takes responsibility for monitoring the composition of the Board and reviewing the performance and compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance.

The Board considers the Company's present circumstances and goals ensure maximum shareholder benefits from the attraction and retention of a high quality Board and senior management team. The Board on a regular basis reviews the performance of and remuneration for Executive Director's and senior management including any equity participation by such Executive Directors and senior management. The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development.

Recommendation 1.3 – Recommendation followed

During the period the Board undertook a performance evaluation of the Managing Director, Company Secretary and senior management. The evaluation was in accordance with the Company's process for evaluation of senior executives.

PRINCIPLE 2 STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – Recommendation not followed

The composition of the Board consists of four directors of whom two, including the Chairman, are Independent Directors.

The Audit Committee currently consists of two Independent directors.

Recommendation 2.2 – Recommendation followed

The Chairman, Mr Kennedy is an Independent Director

Recommendation 2.3 – Recommendation followed

Mr Kennedy's role as Chairman of the Board is separate from that of the Managing Director, Dr Wills who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

Recommendation 2.4 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a Nomination Committee in line with ASX Recommendation 2.4 and establishing a formal charter as recommended by ASX Recommendation 2.4 cannot be justified by the perceived benefits of so doing.

Recommendation 2.5 – Recommendation not followed

The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company, the assessment of the Board's overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendation 2.5, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place.

Recommendation 2.6 – Recommendation followed

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors' Report section of this report.

Messrs Kennedy and Vickery are considered to be independent.

The Company has no relationships with any of the independent directors which the Company believes would compromise the independence of these directors.

All directors are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company at the expense of the Company upon seeking permission and being granted it by the Chairman.

The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

As the board does not have a Nomination Committee, the functions of this Committee in its absence are dealt with by the Board as a whole.

An assessment of the Board's overall performance and its own succession plan is conducted on an informal basis and was done so during the year by the Chairman.

PRINCIPLE 3 COMPANIES SHOULD ACTIVELY PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Recommendation 3.1 – Recommendation not followed

While the Company does not have a formal code of conduct, as the Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing and managing a formal code of conduct cannot be justified, the Company requires all its directors and employees to abide by the standards of behaviour and business ethics in accordance with the law. In discharging their duties, Directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interests;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all directors meetings; and
- observe and support the Board's Corporate Governance practices and procedures.

Directors are also required to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present (unless requested by the Board to be present) when that matter is considered by the Board and will not vote on that matter.

Recommendation 3.2 – Recommendation followed

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available. This securities trading policy has been established by the Board and all employees and Directors are obliged to comply.

All directors have signed agreements with the Company which require them to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Recommendation 3.3 – Recommendation followed

The Company's Trading Policy can be found at www.maximusresources.com/governance

Corporate Governance Statement

PRINCIPLE 4 **SAFEGUARD INTEGRITY IN** **FINANCIAL REPORTING**

Recommendation 4.1 – **Recommendation followed**

The Company was not a company required by ASX Listing Rule 12.7 to have an Audit Committee during the year although it is an ASX Recommendation. Notwithstanding the Listing Rule requirement, an Audit Committee has been established to oversee corporate governance over internal controls, ethical standards, financial reporting, and external accounting and compliance procedures.

The main responsibilities of the Audit and Corporate Governance Committee include:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports and all other financial information published or released to the market by the Company;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;
- liaising with and reviewing reports of the external auditor; and
- reviewing performance and independence of the external auditor and where necessary making recommendations for appointment and removal of the Company's auditor.

Recommendation 4.2 – **Recommendation not followed**

The Audit Committee consists of two non executive, independent Board directors, Messrs Vickery and Kennedy, and is chaired by Mr Vickery.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing an audit committee with at least three members in line with ASX Recommendation 4.2 cannot be justified by the perceived benefits of so doing. The existing composition of the Audit Committee is such that review and authorisation of the integrity of the Company's financial reporting and the independence of the external auditor is via the exercise of independent and informed judgement.

Recommendation 4.3 – **Recommendation not followed**

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal audit committee charter in line with ASX Recommendation 4.3 cannot be justified by the perceived benefits of so doing.

Recommendation 4.4 – **Recommendation followed**

Mr Kennedy is a qualified Chartered Accountant. Details of the Audit Committee member's qualifications and attendance at meetings are set out in the Directors' Report section of this report.

The Committee meets at least twice per annum and reports to the Board. The Managing Director, Company Secretary and external auditor may by invitation attend meetings at the discretion of the Committee.

PRINCIPLE 5 **MAKE TIMELY AND BALANCED** **DISCLOSURE**

Recommendation 5.1 and 5.2 – **Recommendations not followed**

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for continuous disclosure is required. However, the above policy describing how the Company will ensure its compliance with continuous disclosure requirements is posted on the Company's website, www.maximusresources.com/governance

PRINCIPLE 6 **RESPECT THE RIGHTS OF** **SHAREHOLDERS**

Recommendation 6.1 and 6.2 – **Recommendations not followed**

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's

state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged with the Australian Stock Exchange and Australian Securities and Investments Commission and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's website, www.maximusresources.com/governance.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required. However, this policy describing how the Company will communicate with its shareholders is posted on the Company's website, www.maximusresources.com/governance

PRINCIPLE 7 RECOGNISE AND MANAGE RISK

Recommendation 7.1, 7.2 and 7.4 – Recommendations not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risk is presented to the Board.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, and the inherent risks associated with the industry it operates in, the Board does not believe formal policies for oversight and management of risk is required nor a mechanism for formal review be established. The policy describing how the Company manages risk by procedures established at Board and executive level can be found posted on the Company's website,

www.maximusresources.com/governance

Recommendation 7.3 – Recommendation followed

In accordance with ASX Recommendation 7.3 the Managing Director and Chief Financial Officer have provided assurances that the written declarations under s295A of the Corporations Act are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Both the Managing Director and Chief Financial Officer provided said assurances at the time the s295A declarations were provided to the Board.

PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal remuneration committee in line with ASX Recommendation 8.1 cannot be justified by the perceived benefits of so doing.

The Board takes responsibility for monitoring the composition of the Board and reviewing the compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance.

Recommendation 8.2 and 8.3 – Recommendations followed

In accordance with ASX Recommendation 8.2 the Company's remuneration practices are set out as follows.

The Company's Constitution specifies that the total amount of remuneration of non executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non executive directors has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed junior mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to ordinary fully paid shares in the Company. Under the terms of the Plan, options to ordinary fully paid shares may be offered to the Company's eligible employees at no cost in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The non-executive directors are not eligible to participate in the Plan.

The employment conditions of the Managing Director are formalised in a contract of employment. The Managing Director's contract may be terminated at any time by mutual agreement or without notice in serious instances of misconduct.

Further details of director's remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

The Company's Corporate Governance Policies can be found at www.maximusresources.com/governance

Directors' Report

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2008.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Robert Michael Kennedy

Kevin John Anson Wills

Gary Eric Maddocks

Ewan John Vickery

Nick John Smart (alternate for E J Vickery)

Richard Walter Cumming Willson (alternate for G E Maddocks, resigned 14 August 2007)

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Richard Walter Cumming Willson

B.Ac., CPA, GAICD

Bachelor of Accounting, CPA, Graduate Member of the Australian Institute of Company Directors. Mr Willson has had more than 14 years experience. He has worked in public practice and in various financial management and company secretarial roles within the Provimi Australia group, BHP Billiton and the Jumbuck Pastoral group. He has been the Company Secretary since 1 March 2006 and to the date of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was gold, nickel, uranium, copper, platinum and other minerals exploration.

OPERATING RESULTS

The consolidated net result of operations for the financial year was a loss of \$1,175,994.

DIVIDENDS

There were no dividends declared or paid during the period.

REVIEW OF OPERATIONS

The 2007–08 financial year was one of rapid growth in activities and results for Maximus Resources. Exploration expenditure more than doubled from \$4.2 million in 2006–07 to about \$9.0 million in 2007–08. Identified gold resources increased by 52% to 326,000 ounces, a uranium resource containing 7.5 million pounds of U₃O₈ was located and an exploration target for iron ore containing 1.7 to 3.0 billion tonnes of magnetite rich gabbro with 20 to 35% magnetite was outlined (ASX Announcement 9 May 2008). In short, the company has five possible development projects in its portfolio. These are Bird in Hand, Yandal and Sellheim Gold, Windimurra Uranium and Canegrass Iron Ore Projects. This growth was built on the firm foundation of prospective land acquired in the IPO and the exploration activities carried out and acquisitions made after listing.

Maximus' flagship project is now the Canegrass Iron Ore Project located about 65 kilometres east-southeast of Mount Magnet in Western Australia. The iron ore potential of the Canegrass project was first reported by Maximus on 27 September 2007, with encouraging assays in surface rock samples for iron and vanadium. After encouraging results from RC drilling in December 2007, Maximus embarked upon a program of detailed airborne magnetics and ground gravity to assist in delineation of the best potential iron ore. This resulted in the outlining of the 1.7 to 3.0 billion tonne iron ore target* and follow up diamond and RC drilling in June and July 2008. The best intersection returned was 72 metres of 34.2% iron. Maximus has planned a follow up resource drilling program for October 2008 which is designed to lead to the estimation of an initial Inferred Resource.

The Windimurra Uranium deposit is located about 20 kilometres northeast of Canegrass. Calcrete uranium mineralisation had been discovered by WMC in the 1970s. During the first half of the 2007–08 financial year, Maximus drilled out the deposit to JORC compliant status with the reporting on 20 December 2007 of an Inferred Resource of 19 million tonnes averaging 180 ppm U₃O₈ containing 7.5 million pounds of uranium oxide. The deposit is located in a present day channel over an area of about eight square kilometres and to a depth of six metres. Given the recent change of government in Western Australia, Maximus will recommenced work on Windimurra Uranium and is actively looking for a JV partner to take the project through to development.

In the Adelaide Hills, Maximus has been exploring beneath the old workings at the Bird in Hand gold mine near Woodside since commencing drilling just after listing in November 2005. The Exploration Target* predicted in Maximus' prospectus has gradually been defined by drilling such that a total tonnage of 598,000 tonnes averaging 12.3 grams gold per tonne and containing 237,000 ounces of gold has been located (as announced on 8 August 2008). A scoping study was undertaken which led to a positive result and the commencement of a pre-feasibility due for completion at the end of June 2009. Maximus is currently targeting a decision to mine at Bird in Hand in about December 2009.

The Sellheim alluvial gold project is located about 200 kilometres south of Townsville in central Queensland. Maximus has been exploring for alluvial gold since about May 2007 and on 2 April 2008, announced an initial Inferred Resource of 1 million bank cubic metres (bcm) of alluvials averaging 0.52 gm/bcm for a contained 16,000 ounces of gold. In recent months Maximus has carried out bulk sampling which has confirmed the gold grades located during the exploration phase. Maximus is planning to start trial production in October 2008.

FINANCIAL POSITION

The net assets of the group have increased by \$16,913,454 during the financial year from \$24,132,665 at 30 June 2007 to \$41,046,119 at 30 June 2008. This increase has largely resulted from the proceeds from share issues raising \$14,499,932. The Company has been actively undertaking exploration activities and has capitalised \$18,392,671 in exploration expenditure during the current financial year.

The directors believe the Company is in a strong and stable financial position to continue its exploration activities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the parent entity during the financial year.

AFTER BALANCE DATE EVENTS

No circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

* See page 5 for an explanation of Exploration Target.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

In the 2008–09 financial year, Maximus plans to establish profitable gold production at Sellheim, to advance the Bird in Hand project to a final feasibility study and to build up a significant resource of Magnetite Iron Ore at Canegrass. The Company will also continue to test targets outlined by its airborne EM survey at the Narndee Project near Mount Magnet in Western Australia in the search for economic deposits of nickel-copper-platinum and copper-zinc.

At Sellheim, if profitable production can be demonstrated during late 2008, attention will turn to outlining additional alluvial resources which can be developed into larger operations with larger mobile plants treating ore at up to 100 bcm/hr. The project area is heavily mineralised with widespread alluvial gold. In addition a partner to carry out hard-rock gold and base-metal exploration of the basement rocks in search of primary gold and copper mineralisation will be sought.

In the Adelaide Hills, Maximus has also targeted the old Deloraine gold mine located about 25 kilometres north of Bird in Hand and representing a very similar geological situation to the latter project. Maximus has established an Exploration Target at Deloraine of between 1.3 and 1.5 million tonnes at a grade of 10 to 15 grams per tonne gold (ASX Announcement 5 September 2008). Maximus is due to commence exploration at Deloraine later in 2008. If the Exploration Target* can be realised, Maximus may be in a position to re-develop two old underground gold mines in the Adelaide Hills.

Maximus' main focus, however, will be on advanced exploration and development studies at the Canegrass project. Maximus believes there is potential at Canegrass to develop a mine supplying both iron rich and vanadium rich magnetite products. After further resource drilling, it is intended to carry out a metallurgical program to define which concentrates can be profitably produced and so develop a more detailed drilling and sampling program. Maximus believes that the size of the Exploration Target* at Canegrass is sufficiently large to create a significant long-life magnetite mining operation that will secure the company's long term future.

The rate at which the company is able to progress future exploration and development plans will depend on the availability of capital in its various forms.

ENVIRONMENTAL ISSUES

The consolidated group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. The Group believes it is not in breach of any environmental obligation.

INFORMATION ON DIRECTORS

Robert Michael Kennedy

Non-Executive Chairman – ASAIT, Grad, Dip (Systems Analysis), FCA, ACIS, Life Member AIM, FAICD

A Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy has been a director since incorporation 17 December 2004. Mr Kennedy is the Chairman of Beach Petroleum Limited (Director since 1991, Chairman since 1995), Flinders Mines Limited (since 2001), Monax Mining Limited (since 2004), Marmota Energy Limited (since 2006), Ramelius Resources Limited (since 1995) and Eromanga Uranium Limited (since 2006).

Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies.

Mr Kennedy is a member of the Audit Committee.

Kevin John Anson Wills

Managing Director – ARSM, PhD, FAusIMM

A director since incorporation 17 December 2004. Dr Kevin Wills is a geologist with 33 years experience in multi-commodity mineral exploration including uranium exploration, feasibility studies and mine operations in Australasia. Dr Wills spent seven years with CRA Exploration Pty Ltd, the highlight of which was involvement with the location and evaluation of the Argyle Diamond Deposit. Later, with Penarroya Australia Pty Ltd, his work led to an expansion of reserves at Thalanga and the discovery of the Waterloo base metals deposit.

In the late 1980s, Dr Wills was exploration manager with Metana Minerals NL. He built up a successful exploration team which extended known gold ore bodies and made new discoveries. In the early 1990s Dr Wills was regional exploration manager with Dominion Mining Ltd, based in Adelaide.

His work on the Gawler Craton led to the development of a calcrete sampling technique which, later on, was instrumental in the Challenger gold discovery.

Dr Wills is also managing director of Flinders Mines Limited (since 2000) and a Non-Executive Director of Eromanga Uranium Limited (since 2006). He is a past chairman of the Adelaide Branch of the AusIMM and the Exploration Committee at the South Australian Chamber of Mines and Energy.

Ewan John Vickery

Non-Executive Director – LLB

A director since incorporation 17 December 2004. Mr Vickery is a corporate and business lawyer with over 30 years experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies.

Mr Vickery is a Director of Flinders Mines Limited (since 2001), Eromanga Uranium Limited (since 2006) and member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Australian Institute of Company Directors and is a past national president of Australian Mining and Petroleum Law Association (AMPLA Limited).

Mr Vickery is the Chairman of the audit committee.

Gary Eric Maddocks

Exploration Director (Executive) – M.Sc. and App.Sc.(Geology), Dip.App.Chem., FAusIMM(CP)

A director since incorporation 17 December 2004. Mr Maddocks has 37 years of experience in mineral exploration for gold, copper, lead/zinc, nickel and tin throughout Australia. He has been involved with exploration activities for gold and copper in India, Indonesia and New Zealand. He is principal of GEM Exploration Management Services, a Chartered Professional (Geology) and Fellow of the Australian Institute of Mining and Metallurgy.

* See page 5 for an explanation of Exploration Target.

Directors' Report

Nicholas John Smart

Alternate Director for E J Vickery (Non-Executive)

An alternate director since 9 May 2005, Mr Smart has held positions as a General Manager in France and Australia in the wool, textile, leather and meat industries. Responsibilities included human resources, factory operations, currency movements and commodity trading. He was a full Associate Member of the Sydney Futures Exchange then became Managing Director of D&D-Tolhurst Ltd (sharebrokers) as a client advisor and in the corporate area including capital raising. He has been involved in start up companies in technology development such as the laser shearing of sheep skins, commercialisation of the Synroc process for safe storage of high level nuclear waste and controlled temperature and atmosphere transport systems. Mr Smart currently consults to various public and private companies. Mr Smart is a director of GTL Energy Limited.

Richard Walter Cumming Willson

Alternate Director for G E Maddocks (Executive) – B.Ac., CPA, GAICD

Mr Willson has had more than 14 years experience. He has worked in public practice and in various financial management and company secretarial roles within the Provimi Australia group, BHP Billiton and the Jumbuck Pastoral group. Mr Willson is the Company Secretary and Chief Financial Officer for Flinders Mines Limited and Eromanga Uranium Limited. He is also a director of Housing Spectrum and Unity Housing Limited, not for profit organisations that provide disability housing. He has been an alternate director since 18 May 2006 and resigned 14 August 2007.

REMUNERATION REPORT (AUDITED)

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management person of the Company and for the executives receiving the highest remuneration.

a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

| Name | Position |
|------------------|---|
| Mr R M Kennedy | Chairman – Non-executive |
| Mr E J Vickery | Director – Non-executive |
| Dr K J A Wills | Managing Director – Executive |
| Mr G E Maddocks | Executive Director |
| Mr N J Smart | Alternate Director |
| Mr R W C Willson | Chief Financial Officer / Company Secretary |
| Mr R Barratt | Exploration Manager |

b) Directors and key management personnel remuneration

| 2008 Primary Benefits | | | | | | | |
|-----------------------|----------------|---------|----------------|------------|---------------------|---------|---------|
| Directors | Directors fees | Salary | Non cash items | Cash bonus | Super contributions | Options | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Mr R M Kennedy | 77,981 | - | - | - | 7,019 | - | 85,000 |
| Mr E J Vickery* | 50,000 | - | - | - | - | - | 50,000 |
| Dr K J A Wills | - | 124,231 | - | - | 10,321 | - | 134,552 |
| Mr G E Maddocks*** | - | 250,222 | - | - | - | - | 250,222 |
| Mr N J Smart | - | - | - | - | - | - | - |
| Mr R W C Willson** | - | 197,432 | - | - | 16,325 | 8,659 | 222,416 |
| Mr R Barratt | - | 35,655 | - | - | 3,209 | 30,925 | 69,789 |
| | 127,981 | 607,540 | - | - | 36,874 | 39,584 | 811,979 |

| 2007 Primary Benefits | | | | | | | |
|-----------------------|----------------|---------|----------------|------------|---------------------|---------|---------|
| Directors | Directors fees | Salary | Non cash items | Cash bonus | Super contributions | Options | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Mr R M Kennedy | 73,395 | - | - | - | 6,605 | - | 80,000 |
| Mr E J Vickery* | 45,000 | - | - | - | - | - | 45,000 |
| Dr K J A Wills**** | - | 166,126 | - | - | - | - | 166,126 |
| Mr G E Maddocks*** | - | 209,379 | - | - | - | - | 209,379 |
| Mr N J Smart | - | - | - | - | - | - | - |
| Mr R W C Willson** | - | 155,768 | - | - | 14,019 | 6,100 | 175,887 |
| | 118,395 | 531,273 | - | - | 20,624 | 6,100 | 676,392 |

* Director's fees for Mr Vickery are paid to a related entity of the Director

** Mr Willson is employed by FME Exploration Services Pty Ltd. His services are provided as part of the services agreement in place between FME Exploration Services Pty Ltd and Maximus Resources Ltd. The management fees paid by Maximus Resources Ltd are outlined in Note 24. This agreement was formalised 3 August 2006.

*** Mr Maddocks remuneration is paid to a related entity of the Director.

**** Dr Wills 2007 remuneration was paid to a related entity of the Director.

The Directors conclude that there are no other executives requiring disclosure other than those listed.

c) Service agreements

During the financial year, the Company reviewed the employment agreement of Dr Wills in respect of his services as Managing Director. There were neither post employment retirement benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company. There were no post employment retirement benefits paid or payable to key management personnel.

Employee Share Option Plan

The Company has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. During the year 890,000 options with a fair value of \$110,093 were issued to employees at no cost. No employee share options were issued to the Directors during the year.

Remuneration Practices

The Company's policy for determining the nature and amounts of emoluments of board members and senior executive officers of the Company is as follows.

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director is determined by the Non-executive Directors on the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors

do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasize payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed junior mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director, Dr Wills are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Directors' contract may be terminated at any time by mutual agreement. The Company may terminate this contract without notice in serious instances of misconduct.

Options granted as remuneration

Apart from the options granted under the Company's Employee Share Option Plan as detailed above, no other options were granted to Directors or key management personnel of the Company during the financial year.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Directors' interests in shares and options

Directors' relevant interests in shares and options of the Company are disclosed in note 5 to the accounts.

MEETINGS OF DIRECTORS

During the financial year, 22 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | Directors meetings | | Audit Committee meeting | |
|---------------|---------------------------|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| R M Kennedy | 20 | 20 | 2 | 2 |
| K J A Wills | 19 | 19 | 1 | 1 |
| E J Vickery | 19 | 19 | 2 | 2 |
| G E Maddocks | 20 | 20 | 1 | 1 |
| R W C Willson | 20 | 20 | 2 | 2 |
| N J Smart | 1 | 1 | - | - |

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company is required to indemnify the Directors and other officers of the company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and officers' liability and legal expenses' insurance contracts.

OPTIONS

Since the end of the financial year shares were issued as a result of the exercise of options as follows. There were no amounts unpaid on shares issued.

| Date | Number of shares | Exercise Price |
|-------------------|------------------|----------------|
| 4 July 2008 | 8,156,869 | 20 cents |
| 5 July 2008 | 13,832 | 20 cents |
| 18 July 2008 | 524,456 | 20 cents |
| 14 August 2008 | 46,928 | 20 cents |
| 27 August 2008 | 15,188 | 20 cents |
| 23 September 2008 | 1,316 | 20 cents |

At the date of this report, the unissued ordinary shares of Maximus Resources Limited under option are as follows:

| Grant Date | Date of Expiry | Exercise Price | Number under Option |
|------------------|----------------|----------------|---------------------|
| 01 August 2008 | 30 June 2009 | \$0.20 | 38,241,869 |
| 14 February 2008 | 30 June 2009 | \$0.20 | 28,007,744 |
| 21 October 2005 | 20 April 2010 | \$0.20 | 1,000,000 |
| 02 July 2007 | 02 July 2010 | \$0.50 | 2,000,000 |
| 10 April 2007 | 20 March 2012 | \$0.14 | 770,000 |
| 17 March 2008 | 02 July 2012 | \$0.18 | 890,000 |
| 02 July 2007 | 02 July 2012 | \$0.50 | 2,000,000 |
| 10 July 2008 | 02 July 2012 | \$0.50 | 1,000,000 |
| | | | <u>73,909,613</u> |

During the year ended 30 June 2008, the following ordinary shares in Maximus Resources Limited were issued on the exercise of options granted under the Maximus Resources Limited Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

| Grant Date | Exercise Price | Number of shares issued |
|-----------------|----------------|-------------------------|
| 10 April 2007 | \$0.14 | 35,000 |
| 2 November 2007 | \$0.14 | 50,000 |
| 31 January 2008 | \$0.14 | 40,000 |

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

NON-AUDIT SERVICES

The Board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2008.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 43 of the directors' report.

Dated at Adelaide this 30th day of September 2008 and signed in accordance with a resolution of the directors.



ROBERT M KENNEDY
Chairman

Auditor's Independence Declaration



**Grant Thornton South Australian
Partnership**
ABN 27 244 906 724

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide

T 61 8 8372 6666
F 61 8 8372 6677
E info@gtsa.com.au
W www.granthornton.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MAXIMUS RESOURCES LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Maximus Resources Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

A blue ink signature of S J Gray, written in a cursive style.

S J Gray
Partner

Signed at Adelaide on this 30th day of September 2008

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Income Statement

For the year ended 30 June 2008

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|------------|---------------|------------|
| | | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Revenue | 2 | 1,007,504 | 756,512 | 359,540 | 9,701,027 |
| Marketing expenses | 3 | 283,469 | 280,213 | 234,897 | 115,211 |
| Administrative expense | 3 | 966,874 | 800,245 | 628,133 | 264,349 |
| Exploration expenses | | 632,912 | 456,986 | 459,172 | 386,632 |
| Finance costs | | 1,914 | 1,885 | 1,540 | 637 |
| Other | | 703 | - | - | - |
| Profit/(Loss) before income tax | | (878,368) | (782,817) | (964,202) | 8,934,198 |
| Income tax expense | 4 | 242,143 | 29,355 | 269,137 | 2,566,397 |
| Profit/(Loss) for the year | | (1,120,511) | (812,172) | (1,233,339) | 6,367,801 |
| (Profit)/Loss attributable to outside equity interest | | (55,483) | 101,494 | - | - |
| Profit/(Loss) attributable to members of the parent company | | (1,175,994) | (710,678) | (1,233,339) | 6,367,801 |
| Basic earnings/(loss) per share (cents) | 7 | (0.970) | (1.046) | | |
| Diluted earnings/(loss) per share (cents) | 7 | (0.970) | (1.046) | | |

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2008

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|-------------|---------------|------------|
| | | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 8 | 10,732,827 | 12,354,511 | 4,193,772 | 313,373 |
| Trade and other receivables | 9 | 1,089,747 | 633,010 | 620,484 | 207,270 |
| Other current assets | | 38,500 | 36,000 | 38,500 | 36,000 |
| TOTAL CURRENT ASSETS | | 11,861,074 | 13,023,521 | 4,852,756 | 556,643 |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 14 | 1,346,717 | 674,444 | 948,790 | 314,210 |
| Exploration and evaluation expenditure | 15 | 29,477,882 | 11,085,151 | 20,960,076 | 8,499,156 |
| Financial assets | | - | - | 3,992,643 | 9,579,500 |
| Investments accounted for using the equity method | 10 | 2 | 2 | 1 | 1 |
| TOTAL NON-CURRENT ASSETS | | 30,824,541 | 11,759,597 | 25,901,510 | 18,392,867 |
| TOTAL ASSETS | | 42,685,615 | 24,783,118 | 30,754,266 | 18,949,510 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 16 | 1,591,539 | 632,076 | 1,076,721 | 423,422 |
| Provisions | 17 | 47,957 | 18,377 | 23,764 | 6,019 |
| Deferred tax liability | 4 | - | - | 887,979 | 2,537,042 |
| TOTAL CURRENT LIABILITIES | | 1,639,496 | 650,453 | 1,988,464 | 2,966,483 |
| TOTAL LIABILITIES | | 1,639,496 | 650,453 | 1,988,464 | 2,966,483 |
| NET ASSETS | | 41,046,119 | 24,132,665 | 28,765,802 | 15,983,027 |
| EQUITY | | | | | |
| Issued capital | 18 | 27,046,405 | 10,133,983 | 27,046,405 | 10,133,983 |
| Reserves | | 1,208,755 | 156,408 | (2,755,910) | 140,397 |
| Retained earnings | | (2,545,827) | (1,369,832) | 4,475,307 | 5,708,647 |
| Parent interest | | 25,709,333 | 8,920,559 | 28,765,802 | 15,983,027 |
| Outside equity interest | | 15,336,786 | 15,212,106 | - | - |
| TOTAL EQUITY | | 41,046,119 | 24,132,665 | 28,765,802 | 15,983,027 |

The accompanying notes form part of these financial statements.

Statement Of Changes In Equity

For the year ended 30 June 2008

| | Issued Capital | Share Option Reserve | Available For Sale Reserve | Retained Earnings | Outside equity interest | Total |
|---|----------------|----------------------|----------------------------|-------------------|-------------------------|-------------|
| | \$ | \$ | | \$ | \$ | \$ |
| CONSOLIDATED GROUP | | | | | | |
| Balance at 1st July 2006 | 8,699,079 | 83,667 | - | (659,154) | - | 8,123,592 |
| Initial outside equity interest | - | - | - | - | 15,284,332 | 15,284,332 |
| Loss for the period | - | - | - | (710,678) | - | (710,678) |
| Loss attributed to outside equity interest | - | - | - | - | (101,494) | (101,494) |
| Shares issued during the period | 1,503,400 | - | - | - | - | 1,503,400 |
| Options issued during the period | - | 72,741 | - | - | - | 72,741 |
| Outside equity interest in options reserve | - | - | - | - | 29,268 | 29,268 |
| Transaction costs (net of tax) | (68,496) | - | - | - | - | (68,496) |
| Balance at 30th June 2007 | 10,133,983 | 156,408 | - | (1,369,832) | 15,212,106 | 24,132,665 |
| Loss for the period | - | - | - | (1,175,995) | - | (1,175,995) |
| Gain attributed to outside equity interest | - | - | - | - | 55,482 | 55,482 |
| Shares issued during the period | 17,477,423 | - | - | - | - | 17,477,423 |
| Options issued during the period | - | 1,052,347 | - | - | - | 1,052,347 |
| Outside equity interest in options reserve | - | - | - | - | 69,198 | 69,198 |
| Transaction costs (net of tax) | (565,001) | - | - | - | - | (565,001) |
| Balance at 30 June 2008 | 27,046,405 | 1,208,755 | - | (2,545,827) | 15,336,786 | 41,046,119 |
| PARENT ENTITY | | | | | | |
| Balance at 1st July 2006 | 8,699,079 | 83,667 | - | (659,155) | - | 8,123,591 |
| Profit for the period | - | - | - | 6,367,801 | - | 6,367,801 |
| Shares issued during the period | 1,503,400 | - | - | - | - | 1,503,400 |
| Options issued during the period | - | 56,730 | - | - | - | 56,730 |
| Transaction costs (net of tax) | (68,496) | - | - | - | - | (68,496) |
| Balance at 30th June 2007 | 10,133,983 | 140,397 | - | 5,708,646 | - | 15,983,026 |
| Profit for the period | - | - | - | (1,233,339) | - | (1,233,339) |
| Shares issued during the period | 17,477,423 | - | - | - | - | 17,477,423 |
| Decline in value of available for sale financial assets | - | - | (3,910,800) | - | - | (3,910,800) |
| Options issued during the period | - | 1,014,493 | - | - | - | 1,014,493 |
| Transaction costs (net of tax) | (565,001) | - | - | - | - | (565,001) |
| Balance at 30 June 2008 | 27,046,405 | 1,154,890 | (3,910,800) | 4,475,307 | - | 28,765,802 |

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 30 June 2008

| | Note | Economic Entity | | Parent Entity | |
|---|------|-----------------|-------------|---------------|-------------|
| | | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Interest received | | 1,177,742 | 453,633 | 347,854 | 141,002 |
| Payments to suppliers and employees | | (500,641) | (1,349,291) | (288,480) | (688,241) |
| Net cash provided by (used in) operating activities | 21 | 677,101 | (895,658) | 59,374 | (547,239) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of property, plant and equipment | | (792,355) | (599,934) | (698,753) | (223,424) |
| Proceeds from sale of tenements | | 135,000 | - | 135,000 | - |
| Payment for exploration activities | | (15,067,089) | (4,989,702) | (9,173,191) | (3,992,376) |
| Loans to related entities | | (264,620) | (90,380) | (132,310) | 27,310 |
| Payment of security bonds | | (2,500) | (36,000) | (2,500) | (36,000) |
| Payments for subsidiaries net of cash acquired | | - | 14,692,735 | - | (19,500) |
| Net cash provided by (used in) investing activities | | (15,991,564) | 8,976,719 | (9,871,754) | (4,243,990) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from issue of shares | | 13,692,779 | 184,397 | 13,692,779 | 1,015,549 |
| Net cash provided by (used in) financing activities | | 13,692,779 | 184,397 | 13,692,779 | 1,015,549 |
| Net increase in cash held | | (1,621,684) | 8,265,458 | 3,880,399 | (3,775,680) |
| Cash at beginning of financial year | | 12,354,511 | 4,089,053 | 313,373 | 4,089,053 |
| Cash at end of financial year | 8 | 10,732,827 | 12,354,511 | 4,193,772 | 313,373 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Maximus Resources Limited as an individual entity and the consolidated entity consisting of Maximus Resources Limited and its subsidiaries.

BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting standards board, Urgent Issues group Interpretations and corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Maximus Resources Limited complies with International Financial Reporting Standards. (IFRS).

Historical cost convention

This financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ACCOUNTING POLICIES

a) Principles of consolidation

A controlled entity is any entity Maximus Resources Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of non current asset | Depreciation rate | Basis of depreciation |
|----------------------------|-------------------|-----------------------|
| Plant and equipment | 12.5–40% | Straight line |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined in comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Exploration expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when

exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Financial instruments**Recognition and initial measurement**

Financial instruments, incorporation financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement**i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

g) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of post-acquisition reserves of its associates.

h) Interests in joint ventures

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 11.

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

i) Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The cost of equity-settled transactions is measured by the fair value at the date at which the equity instruments are granted. The fair value is determined using the Black-Scholes pricing model. The cost is recognised as an expense in the income statement with a corresponding increase in the share option reserve or issued capital when the options or shares are issued.

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Notes to the Financial Statements

NOTE 2 REVENUE

| | Consolidated Group | | Parent Entity | |
|--|--------------------|----------------|----------------|------------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Operating activities | | | | |
| – Interest received from other persons | 1,007,504 | 756,512 | 359,540 | 141,028 |
| – Profit on sale of subsidiary | - | - | - | 9,559,999 |
| | <u>1,007,504</u> | <u>756,512</u> | <u>359,540</u> | <u>9,701,027</u> |

NOTE 3 LOSS FOR THE YEAR

| | Consolidated Group | | Parent Entity | |
|-------------------------------------|--------------------|----------------|----------------|----------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Marketing Expenses | | | | |
| Company Promotion | 14,758 | 152,363 | 12,775 | 11,131 |
| Subscriptions | 12,358 | 24,840 | 2,009 | 24,840 |
| Public Relations | 9,782 | 18,122 | 9,266 | 4,139 |
| Conferences | 36,425 | 23,201 | 30,310 | 7,207 |
| Other | 210,145 | 61,687 | 180,536 | 67,894 |
| | <u>283,469</u> | <u>280,213</u> | <u>234,897</u> | <u>115,211</u> |
| Administration Expenses | | | | |
| Accounting Services | 5,164 | 9,220 | 3,394 | 3,379 |
| Audit Fees | 44,500 | 44,034 | 23,500 | 20,105 |
| Legal Fees | 7,184 | 25,471 | 7,184 | 3,554 |
| Management Fees | 298,825 | 205,570 | 191,517 | 82,680 |
| Corporate Consulting | - | 55,120 | - | 86,633 |
| ASX Fees | 62,234 | 65,070 | 54,756 | 10,795 |
| Employee Benefits Expense | 273,902 | 329,295 | 159,281 | 20,141 |
| Depreciation | 12,402 | 44,659 | 11,705 | 28,383 |
| Other | 262,663 | 21,806 | 176,796 | 8,679 |
| | <u>966,874</u> | <u>800,245</u> | <u>628,133</u> | <u>264,349</u> |
| Exploration Expenses | | | | |
| Exploration Expenditure Written off | 632,912 | 456,986 | 459,172 | 386,632 |
| | <u>632,912</u> | <u>456,986</u> | <u>459,172</u> | <u>386,632</u> |

Notes to the Financial Statements

NOTE 4 INCOME TAX EXPENSE

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------|---------------|-------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| a) The components of tax expense comprise: | | | | |
| Current tax | 242,143 | - | 242,143 | (1,284,914) |
| Underprovision for prior years | - | - | 281,706 | - |
| Deferred tax | - | 29,355 | (254,712) | 3,851,311 |
| | 242,143 | 29,355 | 269,137 | 2,566,397 |

b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)

| | | | | |
|---|-----------|-----------|-----------|-----------|
| - consolidated group | (263,510) | (234,845) | | |
| - parent entity | | | (289,261) | 2,680,259 |
| Add: | | | | |
| Tax effect of: | | | | |
| - non-allowable items | 13,855 | 1,998 | 1,520 | 1,290 |
| - share options expensed during year | 65,144 | 17,019 | 33,028 | 17,019 |
| - share placement issue costs | 242,143 | - | 242,143 | - |
| - previously unrecognised temporary differences | - | - | - | 737,135 |
| - deferred tax asset not brought to account | 184,511 | 245,183 | 281,707 | - |
| Recoupement of prior year tax losses not brought to account | - | - | - | (869,306) |
| Income tax attributable to entity | 242,143 | 29,355 | 269,137 | 2,566,397 |

Deferred tax assets on the timing differences have not been recognised as they do not meet the recognition criteria as outlined in Note 1(b) to the financial statement.

c) Deferred tax liability

The balance of deferred tax liabilities comprises temporary differences attributable to:

| | | | | |
|---|---|---|-------------|-------------|
| Deferred capital gain on sale of subsidiary | - | - | 984,943 | 2,661,000 |
| Capitalised exploration expenditure | - | - | 6,234,214 | 2,067,340 |
| Other | - | - | (77,261) | (27,806) |
| Carried forward tax losses | - | - | (6,246,788) | (2,154,220) |
| Provisions | - | - | (7,129) | (9,272) |
| Deferred tax liability | - | - | 887,979 | 2,537,042 |

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION

a) Names and positions held of consolidated group and parent entity key management personnel in office at any time during the financial year are:

| Key Management Person | Position |
|-----------------------|---|
| R M Kennedy | Non-Executive Chairman |
| K J A Wills | Managing Director |
| G E Maddocks | Executive Director |
| E J Vickery | Non-Executive Director |
| R W C Willson | Chief Financial Officer and Company Secretary |
| R Barratt | Exploration Manager |

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED**b) Options and Rights Holdings**

Number of options held by key management personnel.

| | Balance 1.7.2007 | Issued as remuneration | Net change other | Balance 30.6.2008 | Total vested 30.6.2008 | Total exercisable 30.6.2008 | Total unexercisable 30.6.2008 |
|----------------|---------------------|---------------------------|---------------------|----------------------|---------------------------|-----------------------------------|-------------------------------------|
| R M Kennedy* | 1,375,000 | - | (684,999) | 690,001 | 690,001 | 690,001 | - |
| K J A Wills* | 1,575,000 | - | (924,999) | 650,001 | 650,001 | 650,001 | - |
| G E Maddocks | 1,250,000 | - | (739,999) | 510,001 | 510,001 | 510,001 | - |
| E J Vickery* | 1,306,250 | - | (1,226,316) | 79,934 | 79,934 | 79,934 | - |
| N J Smart | 512,500 | - | (512,500) | - | - | - | - |
| R W C Willson* | 100,000 | 70,000 | 36,900 | 206,900 | 206,900 | 206,900 | - |
| R Barratt | - | 250,000 | - | 250,000 | 250,000 | 250,000 | - |
| | 6,118,750 | 320,000 | (4,051,913) | 2,386,837 | 2,386,837 | 2,386,837 | - |

c) Share Holdings

Number of shares held by key management personnel.

| | Balance 1.7.2007 | Received as compensation | Net change other | Balance 30.6.2008 |
|----------------|---------------------|-----------------------------|---------------------|----------------------|
| R M Kennedy* | 2,750,001 | - | 2,194,999 | 4,945,000 |
| K J A Wills* | 3,150,001 | - | 100,000 | 3,250,001 |
| G E Maddocks | 2,500,001 | - | 50,000 | 2,550,001 |
| E J Vickery* | 2,672,501 | - | (2,142,862) | 529,639 |
| N J Smart | - | - | - | - |
| R W C Willson* | 57,000 | - | 25,000 | 82,000 |
| R Barratt | - | - | - | - |
| | 11,129,504 | - | 227,137 | 11,356,641 |

* Held by Directors and entities in which Directors have a relevant interest.

NOTE 6 AUDITORS REMUNERATION

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Remuneration of the auditor of the Company for: | | | | |
| Auditing or reviewing the financial report | 44,500 | 44,034 | 23,500 | 20,105 |
| Independent Report for Prospectus | - | 10,000 | - | - |
| | 44,500 | 54,034 | 23,500 | 20,105 |

NOTE 7 EARNINGS PER SHARE

| | 2008 \$ | 2007 \$ |
|---|-------------|------------|
| Earnings used to calculate basic and dilutive EPS | (1,175,994) | (710,678) |
| Earnings used to calculate basic and dilutive EPS from continuing operations | (1,175,994) | (710,678) |
| Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS | 121,177,911 | 67,915,108 |
| Weighted average number of options outstanding during the year used to calculate dilutive EPS | - | - |
| Weighted average number of ordinary shares outstanding during the year used to calculate dilutive EPS | 121,177,911 | 67,915,108 |

The weighted average number of options on issue at 30 June 2008 was 48,531,383 (2007 34,424,028). They were not used in the earnings per share calculation as they were anti dilutive.

Notes to the Financial Statements

NOTE 8 CASH AND CASH EQUIVALENTS

| | Consolidated Group | | Parent Entity | |
|--------------------------|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Cash at bank and in hand | 1,582,827 | 1,404,511 | 1,143,772 | 263,373 |
| Short-term bank deposits | 9,150,000 | 10,950,000 | 3,050,000 | 50,000 |
| | 10,732,827 | 12,354,511 | 4,193,772 | 313,373 |

The effective interest rate on short-term bank deposits was 7.9% (2007 - 6.5%) These deposits have an average maturity of 53 days.

RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

| | | | | |
|---------------------------|------------|------------|-----------|---------|
| Cash and cash equivalents | 10,732,827 | 12,354,511 | 4,193,772 | 313,373 |
|---------------------------|------------|------------|-----------|---------|

NOTE 9 TRADE AND OTHER RECEIVABLES

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| CURRENT | | | | |
| Interest receivable | 109,720 | 302,880 | 11,712 | 26 |
| Receivable from FME Exploration Services Pty Ltd* | 500,000 | 235,380 | 250,000 | 117,690 |
| Other receivable | 480,027 | 94,750 | 358,772 | 89,554 |
| | 1,089,747 | 633,010 | 620,484 | 207,270 |

* The entity advanced this amount to assist in the funding of working capital. The Group provides support to the associated company to ensure it can pay its debts as and when they fall due and payable.

This receivable from the associated company is repayable at call and interest at market rates can be charged at the discretion of the Directors. The parent entity will not seek repayment where such repayments would prejudice the associated company's ability to meet any obligations as and when they fall due.

NOTE 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests are held in the following associated companies.

| Name | Principal Activities | Country of Incorporation | Shares | Ownership Interest | | Carrying amount of investment | |
|------|----------------------|--------------------------|--------|--------------------|-----------|-------------------------------|------------|
| | | | | 2008 % | 2007 % | 2008 \$ | 2007 \$ |

Unlisted:

| | | | | | | | |
|----------------------------------|-------------------------|-----------|-----|------|------|---|---|
| FME Exploration Services Pty Ltd | Administration Services | Australia | Ord | 66.6 | 66.6 | 2 | 2 |
|----------------------------------|-------------------------|-----------|-----|------|------|---|---|

a) Summarised presentation of aggregate assets, liabilities and performance of associate.

| | Consolidated Group | | Parent Entity | |
|---------------------------------------|--------------------|---------|---------------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| Current assets | 732,860 | 114,142 | 366,430 | 114,142 |
| Non current assets | 956,366 | 321,184 | 478,183 | 321,184 |
| Total assets | 1,689,226 | 435,326 | 844,613 | 435,326 |
| Current liabilities | 1,689,220 | 435,323 | 844,610 | 435,323 |
| Total liabilities | 1,689,220 | 435,323 | 844,610 | 435,323 |
| Net assets | 6 | 3 | 3 | 3 |
| Share of associate's profit after tax | - | - | - | - |

NOTE 11 JOINT VENTURES

The Consolidated group has the following interests in Joint Ventures:

| No. | State | Agreement Name | Parties | Summary |
|-----|-----------|-------------------------------------|---|--|
| 1 | WA | Nemex Agreement | Maximus Resources Ltd (MXR) <i>and</i> Nemex Pty Ltd (Nemex) | MXR purchased a 90% interest in the Nemex Ironstone Well project tenements |
| 2 | SA and NT | Eromanga Basin Joint Venture | Eromanga Uranium Ltd (ERO) <i>and</i> MXR | ERO can earn a 70% interest in MXR's Eromanga Basin project tenements in SA and the NT by spending \$7,000,000 on the tenements within 6 years |
| 3 | SA | Billa Kalina Joint Venture | ERO <i>and</i> MXR | ERO can earn a 50% interest in the non-diamond mineral rights of MXR's Billa Kalina project tenements by spending \$3,000,000 on the tenements within 6 years |
| 4 | SA | Kapunda Joint Venture | Flinders Mines Limited <i>and</i> MXR <i>and</i> Copper Range (SA) Pty Ltd (CRJ) | CRJ can earn a 51% interest in MXR's rights to base and precious metals in EL3064 by spending \$500,000 over 5 years with an option to earn a 75% interest by further expenditure of \$500,000 |
| 5 | WA | Meeline Option to Purchase | MXR <i>and</i> Christopher Richard Elkington and Peter William Youngs and Darian Sampey and Allan Hunter Younger and Roger Townend and Raimunda Silva Townend and Henning Otto Hintze | MXR has a 2 year option to purchase a 100% interest in all the tenements in this agreement for \$500,000 |
| 6 | NT | Rankin / Gecko Agreement | MXR <i>and</i> Tanami Gold NL (TGL) | TGL has transferred a 95% interest in the project tenements for \$1 plus the undertaking that MXR will meet future exploration and tenement expenditure while the tenements remain in force |
| 7 | NT | Woolanga-Rankin Agreement | MXR <i>and</i> Minotaur Exploration Ltd (Minotaur) | Minotaur to spend a minimum \$200 000 on exploration within the first 12 months. If Minotaur elects to proceed with a JV agreement it may earn 51% by expenditure of \$1 million over 3 years and 75% by expenditure of a further \$1 million over 2 years |
| 8 | NT | Strangway Agreement | MXR <i>and</i> NuPower Resources Ltd (NuPower) | NuPower to expend a minimum of \$200 000 in the first 12 months. NuPower may then earn 51% interest in 'energy minerals' by expenditure of \$3 million from commencement over 4 years and 70% by expenditure of a further \$2 million over 2 years |
| 9 | SA | Option Agreement ML5023 | MXR <i>and</i> Christopher Wells | MXR has purchased the rights to explore the property for a 2 year period and has an option to purchase during that period |
| 10 | WA | Narndee - Corporate Group Agreement | MXR <i>and</i> Corporate Resource Consultants Pty Ltd and Bruce Robert Legendre and TE Johnston and Associates Pty Ltd | MXR has purchased a 90% interest in an exploration licence package in the Narndee-Windimurra region |

NOTE 12 FINANCIAL ASSETS

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Available for sale financial assets | - | - | 3,992,643 | 9,579,500 |
| Available for sale financial assets comprise | | | | |
| Listed investments at fair value | - | - | | |
| – Shares in listed corporations | - | - | 3,992,643 | 9,579,500 |
| Total available for sale financial assets | - | - | 3,992,643 | 9,579,500 |

At 29th September 2008, the market value of Eromanga Uranium Limited shares was \$0.045 per share.

Maximus Resources limited holds 44,357,143 shares in Eromanga Uranium Limited.

Notes to the Financial Statements

NOTE 13 CONTROLLED ENTITIES

Controlled entities consolidated

| | Country of Incorporation | Percentage Owned (%) | |
|--|--------------------------|----------------------|------|
| | | 2008 | 2007 |

Parent Entity

Maximus Resources Limited

Australia

Subsidiaries of Maximus Resources Limited

Eromanga Uranium Limited

Australia

35.4

35.4

Maximus Resources Limited holds 35.4 % of the Issued Capital of Eromanga Uranium Limited. Additionally, three of the Directors of Maximus Resources Limited are also Directors of Eromanga Uranium Limited. As a result, Eromanga Uranium Limited has been consolidated with Maximus Resources Limited for the purposes of this financial report.

NOTE 14 PLANT AND EQUIPMENT

| | Consolidated Group | | Parent Entity | |
|-----------------------------|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Plant and equipment at cost | 1,516,220 | 723,866 | 1,046,109 | 347,356 |
| Accumulated depreciation | (169,503) | (49,422) | (97,318) | (33,146) |
| Total Plant and Equipment | 1,346,717 | 674,444 | 948,790 | 314,210 |

Movements in carrying amounts:

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

| | Consolidated Group | | Parent Entity | |
|-------------------------|------------------------|-----------|------------------------|----------|
| | Plant and Equipment | Total | Plant and Equipment | Total |
| Balance at 1 July 2007 | 674,444 | 674,444 | 314,210 | 314,210 |
| Additions | 792,354 | 792,354 | 698,753 | 698,753 |
| Depreciation | (120,081) | (120,081) | (64,172) | (64,172) |
| Balance at 30 June 2008 | 1,346,717 | 1,346,717 | 948,790 | 948,791 |

NOTE 15 CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Exploration and evaluation expenditure capitalised | | | | |
| – Exploration and evaluation phases – 100% owned tenements | 12,791,471 | 88,304 | 12,791,471 | - |
| – Exploration and evaluation phases – Joint Ventures | 16,686,351 | 10,996,847 | 8,168,605 | 8,499,156 |
| Total exploration and evaluation expenditure | 29,477,822 | 11,085,151 | 20,960,076 | 8,499,156 |

Movements in carrying amounts:

Exploration and evaluation

| | | | | |
|--------------------------------------|------------|------------|------------|-----------|
| Balance at the beginning of the year | 11,085,151 | 4,097,697 | 8,499,156 | 4,097,697 |
| Amounts capitalised during the year | 18,565,289 | 6,987,454 | 12,633,538 | 4,401,459 |
| Reductions through write off | (172,618) | - | (172,618) | - |
| Carrying amount at the end of year | 29,477,822 | 11,085,151 | 20,960,076 | 8,499,156 |

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the Financial Statements

NOTE 16 TRADE AND OTHER PAYABLES

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Unsecured | | | | |
| Trade payables | 1,528,414 | 517,842 | 1,028,596 | 382,258 |
| Sundry payables and accrued expenses | 63,125 | 72,466 | 48,125 | 20,280 |
| Amounts payable to associated companies for management services | - | 41,768 | - | 20,884 |
| | 1,591,539 | 632,076 | 1,076,721 | 423,422 |

NOTE 17 SHORT-TERM PROVISIONS

| | Consolidated Group | | Parent Entity | |
|--------------------------------|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Employee entitlements | 47,957 | 18,377 | 23,764 | 6,019 |
| Opening balance at 1 July 2007 | 18,377 | - | 6,019 | - |
| Additional provisions | 97,640 | 34,054 | 40,130 | 8,635 |
| Amounts used | (68,060) | (15,677) | (22,385) | (2,616) |
| Balance at 30 June 2008 | 47,957 | 18,377 | 23,764 | 6,019 |

NOTE 18 ISSUED CAPITAL

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| 143,840,792 (2007: 74,792,087) fully paid ordinary shares | 27,046,405 | 10,133,983 | 27,046,405 | 10,133,983 |

Ordinary Shares

| | Number | Number | Number | Number |
|--------------------------------|-------------|------------|-------------|------------|
| At the beginning of the period | 74,792,087 | 64,977,921 | 74,792,087 | 64,977,921 |
| Shares issued during the year | | | | |
| 3 November 2006 | | 600,000 | | 600,000 |
| 29 November 2006 | | 1,800,000 | | 1,800,000 |
| 17 April 2007 | | 7,346,666 | | 7,346,666 |
| 6 June 2007 | | 67,500 | | 67,500 |
| 02 July 2007 | 7,500,000 | | 7,500,000 | |
| 12 July 2007 | 31,400 | | 31,400 | |
| 25 July 2007 | 11,000,000 | | 11,000,000 | |
| 26 July 2007 | 31,250 | | 31,250 | |
| 31 July 2007 | 554,300 | | 554,300 | |
| 14 August 2007 | 442,650 | | 442,650 | |
| 20 September 2007 | 406,674 | | 406,674 | |
| 03 October 2007 | 5,000 | | 5,000 | |
| 02 November 2007 | 333,019 | | 333,019 | |
| 09 November 2007 | 530,500 | | 530,500 | |
| 07 December 2007 | 47,381,681 | | 47,381,681 | |
| 11 December 2007 | 190,000 | | 190,000 | |
| 31 January 2008 | 155,400 | | 155,400 | |
| 31 March 2008 | 15,125 | | 15,125 | |
| 10 April 2008 | 4,550 | | 4,550 | |
| 29 May 2008 | 5,000 | | 5,000 | |
| 10 June 2008 | 48,900 | | 48,900 | |
| 17 June 2008 | 95,706 | | 95,706 | |
| 24 June 2008 | 317,550 | | 317,550 | |
| At reporting date | 143,840,792 | 74,792,087 | 143,840,792 | 74,792,087 |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements

NOTE 18 ISSUED CAPITAL CONTINUED

Options

For information relating to the Maximus Resources Limited Employee option plan including details of options issued and exercised during the financial year and the options outstanding at year end refer to Note 22 Share Based Payments.

| | Consolidated Group | | Parent Entity | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2008 Number of Options | 2007 Number of Options | 2008 Number of Options | 2007 Number of Options |
| Outstanding at the beginning of the year | 35,084,583 | 34,222,083 | 35,084,583 | 34,222,083 |
| Granted | 33,456,230 | 930,000 | 33,456,230 | 930,000 |
| Exercised | (10,634,200) | (67,500) | (10,634,200) | (67,500) |
| Expired | (22,700,578) | - | (22,700,578) | - |
| Outstanding at the end of the year | 35,206,035 | 35,084,583 | 35,206,035 | 35,084,583 |
| Exercisable at year end | 35,206,035 | 35,084,583 | 35,206,035 | 35,084,583 |

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group has no debt. The gearing ratio's for the year ended 30 June 2008 and 30 June 2007 are in line with policy:

NOTE 19 RESERVES

Share Option Reserve

The Share Option Reserve records items recognised as expenses on valuation of employee options and options issued to external parties in consideration for goods and services rendered.

NOTE 20 COMMITMENTS FOR EXPENDITURE

Exploration Licences

In order to maintain current rights of tenure to exploration tenements the group will be required to outlay in the year ending 30 June 2009 amounts of approximately \$2,890,000 in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

NOTE 21 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax.

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------|---------------|-------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Profit/(Loss) after tax | (1,120,511) | (812,172) | (1,233,339) | 6,367,801 |
| Non-cash flows in loss | | | | |
| Depreciation | 120,081 | 44,659 | 64,172 | 28,383 |
| Issue of options to employees | 179,290 | 102,009 | 110,093 | 56,730 |
| Deferred tax asset written off | - | 29,355 | - | - |
| Sale of subsidiary | - | - | - | (9,559,999) |
| Exploration expenditure written off | 459,172 | - | 459,172 | - |
| Income tax expense | 242,143 | - | 269,137 | - |
| Changes in operating assets and liabilities | | | | |
| Decrease/(Increase) in trade and other receivables | (192,117) | (277,887) | (280,905) | (12,570) |
| Increase/(Decrease) in trade and other payables | 959,463 | - | 653,299 | - |
| Increase/(Decrease) in provisions | 29,580 | 18,378 | 17,745 | 2,572,416 |
| Net cash provided by operating activities | 677,101 | (895,658) | 59,374 | (547,239) |

NOTE 22 SHARE-BASED PAYMENTS

The following share-based payment arrangement existed at 30 June 2008:

The Maximus Resources Limited Employee Share Option Plan enables the board, at its discretion, to issue options to employees of the Company or its associated companies. Each option will have a life of five years and be exercisable at a price determined by the board. This price will not be below the market price of a share at the time of issue.

On 17 March 2008 890,000 options were issued to employees under the Company's employee option plan. The options are exercisable at 18 cents on or before 17 March 2013. The options hold no voting or dividend rights.

| | Consolidated Group | | | | Parent Entity | | | |
|--|--------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|
| | 2008 | | 2007 | | 2008 | | 2007 | |
| | Number of Options | Weighted average Exercise Price Cents | Number of Options | Weighted average Exercise Price Cents | Number of Options | Weighted average Exercise Price Cents | Number of Options | Weighted average Exercise Price Cents |
| Outstanding at the beginning of the year | 895,000 | 14.0 | - | - | 895,000 | 14.0 | - | - |
| Granted | 890,000 | 18.0 | 930,000 | 14.0 | 890,000 | 18.0 | 930,000 | 14.0 |
| Exercised | (125,000) | 14.0 | (35,000) | 14.0 | (125,000) | 14.0 | (35,000) | 14.0 |
| Expired | - | - | - | - | - | - | - | - |
| Outstanding at the end of the year | 1,660,000 | 16.1 | 895,000 | 14.0 | 1,660,000 | 16.1 | 895,000 | 14.0 |
| Exercisable at year end | 1,660,000 | 16.1 | 895,000 | 14.0 | 1,660,000 | 16.1 | 895,000 | 14.0 |

The options outstanding at 30 June 2008 had a weighted average exercise price of 16.1 cents and a weighted average remaining contractual life of 55 months. Exercise prices range from \$0.14 to \$0.18 in respect of options outstanding at 30 June 2008.

The weighted average fair value of the options granted during the year was \$0.124.

This price was calculated by using a Black Scholes option pricing model applying the following inputs:

| | |
|-------------------------------------|---------|
| Weighted average exercise price | \$0.18 |
| Weighted average life of the option | 5 years |
| Underlying share price | \$0.18 |
| Expected share price volatility | 81.9% |
| Risk free interest rate | 8.0% |

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under "Administrative Expense" in the income statement is \$110,093 (2007: \$56,730) which relates to share-based payments in accordance with the Company Employee Share Option Plan.

NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

No circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

NOTE 24 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Associated Companies

- Administrative services were provided by FME Exploration Services Pty Ltd to Maximus Resources Limited for \$871,180.
- Maximus Resources Limited advanced FME Exploration Services Pty Ltd \$264,620 to fund working capital.

Other Related Parties

- Payments during the period to Flinders Mines Limited for expenses incurred on behalf of Maximus Resources Limited totalled \$14,968.
- Receipts from Flinders Mines Limited during the period for expenses incurred on their behalf totalled \$3,130.
- Flinders Mines limited exercised 3,500,000, 20 cent options in Maximus Resources Limited for a total value of \$700,000.

NOTE 25 SEGMENT INFORMATION

The entity operates predominately in the mining industry, in Australia and as such has no material reportable segments.

Notes to the Financial Statements

NOTE 26 FINANCIAL INSTRUMENTS

a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to subsidiaries.

i) Treasury Risk Management

The senior executives of the group regularly analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii) Financial Risks

The main risk the group is exposed to through its financial instruments is liquidity risk.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available to meet the cash demands.

b) Financial Instruments

i) Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | Floating Interest Rate | Non-interest Bearing | Total |
|------------------------------------|--|---------------------------|-------------------------|------------|
| 2008 | | | | |
| Financial Assets | | | | |
| Cash and cash equivalents | 7.9 | 10,732,827 | - | 10,732,827 |
| Receivables | - | - | 1,089,747 | 1,089,747 |
| Total Financial Assets | | 10,732,827 | 1,089,747 | 11,813,574 |
| Financial Liabilities | | | | |
| Payables | - | - | 1,591,539 | 1,591,539 |
| Total Financial Liabilities | | - | 1,591,539 | 1,591,539 |
| 2007 | | | | |
| Financial Assets | | | | |
| Cash and cash equivalents | 6.5 | 12,354,511 | - | 12,354,511 |
| Receivables | - | - | 633,010 | 633,010 |
| Total Financial Assets | | 12,354,511 | 633,010 | 12,987,521 |
| Financial Liabilities | | | | |
| Payables | - | - | 632,076 | 632,076 |
| Total Financial Liabilities | | - | 632,076 | 632,076 |

ii) Net Fair Values

The Company's financial assets and liabilities are included in the balance sheet at amounts that approximate net fair value.

iii) Sensitivity analysis

Interest rate risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk, at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

NOTE 26 FINANCIAL INSTRUMENTS CONTINUED*Interest rate sensitivity analysis*

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

| | Consolidated Group | | Parent Entity | |
|---------------------------------|--------------------|------------|---------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Change in profit | | | | |
| Increase in interest rate by 2% | 214,656 | 247,090 | 83,875 | 6,267 |
| Decrease in interest rate by 2% | (214,656) | (247,090) | (83,875) | (6,267) |
| Change in equity | | | | |
| Increase in interest rate by 2% | 214,656 | 247,090 | 83,875 | 6,267 |
| Decrease in interest rate by 2% | (214,656) | (247,090) | (83,875) | (6,267) |

NOTE 27 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

| AASB Amendment | Standards Affected | | Outline of Amendment | Application Date of Standard | Application Date for Group |
|---|--------------------|--|--|------------------------------|----------------------------|
| AASB 2007-3 Amendments to Australian Accounting Standards | AASB 6 | Exploration for and Evaluation of Mineral | The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report | 1.1.2009 | 1.7.2009 |
| | AASB 107 | Cash Flow Statements | | | |
| | AASB 119 | Employee Benefits | | | |
| | AASB 127 | Consolidated and Separate Financial Statements | | | |
| | AASB 134 | Interim Financial Reporting | | | |
| | AASB 136 | Impairment of Assets | | | |
| AASB 8 Operating Segments | AASB 114 | Segment Reporting | As above | 1.1.2009 | 1.7.2009 |
| AASB 2007-6 Amendments to Australian Accounting Standards | AASB 101 | Presentation of Financial Statements | The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets. | 1.1.2009 | 1.1.2009 |
| | AASB 107 | Cash Flow Statements | | | |
| | AASB 116 | Property, Plant and Equipment | | | |
| AASB 2007-8 Amendments to Australian Accounting Standards | AASB 101 | Presentation of Financial Statements | The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income. | 1.1.2009 | 1.7.2009 |
| AASB 101 | AASB 101 | Presentation of Financial Statements | As above | 1.1.2009 | 1.7.2009 |

NOTE 28 COMPANY DETAILS

The principal place of business and registered office is:

Maximus Resources Limited
62 Beulah Road
Norwood
South Australia 5067

Directors' Declaration

The directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 48 to 61 are in accordance with the Corporation Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and consolidated group.
- 2) The Managing Director and Chief Finance Officer have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view.
- 3) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line and a large circular flourish.

ROBERT M KENNEDY
Director

Dated this 30th day of September 2008



**Grant Thornton South Australian
Partnership**
ABN 27 244 906 724

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide

T 61 8 8372 6666
F 61 8 8372 6677
E info@gt.sa.com.au
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Maximus Resources Limited (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED Cont

Auditor's Responsibility Cont

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a the financial report of Maximus Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED Cont**

Auditor's Opinion

In our opinion the Remuneration Report of Maximus Resources Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

A handwritten signature in blue ink, appearing to read "S J Gray", written over a light blue horizontal line.

S J Gray
Partner

Signed at Adelaide on this 30th day of September 2008

ASX Additional Information

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report is as follows.

The information is current as of 20 October 2008.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

Fully paid ordinary shares are held by 2,555 individual shareholders. All issued ordinary shares carry one vote per share.

Options

Options are held by 2,689 individual option holders.

The number of shareholders, by size of holding, in each class are:

| | Fully paid ordinary shares | Options |
|---|----------------------------|--------------|
| 1 – 1,000 | 92 | 275 |
| 1,001 – 5,000 | 400 | 1,041 |
| 5,001 – 10,000 | 502 | 516 |
| 10,001 – 100,000 | 1,339 | 776 |
| 100,001 and over | 222 | 81 |
| | 2,555 | 2,689 |
| Holdings of less than a marketable parcel | 378 | 2,187 |

SUBSTANTIAL SHAREHOLDERS

| Fully Paid Ordinary Shares | Number | % |
|----------------------------|------------|------|
| Yandal Investments | 11,253,661 | 7.32 |
| Flinders Mines Limited | 10,500,000 | 6.73 |

TWENTY LARGEST SHAREHOLDERS

| | Fully Paid Ordinary Shares | Number | % |
|----|---|-------------------|--------------|
| 1 | Flinders Mines Limited | 10,500,000 | 6.83 |
| 2 | Yandal Investments Pty Ltd | 5,946,666 | 3.87 |
| 3 | Triple Eight Gold Pty Ltd | 3,995,000 | 2.60 |
| 4 | Chaffey Consulting Pty Ltd | 3,166,951 | 2.06 |
| 5 | KJ Exploration Pty Ltd | 3,100,000 | 2.02 |
| 6 | Zero Nominees Pty Ltd | 2,664,495 | 1.73 |
| 7 | Mr Gary Eric Maddocks and Ms Paula Maddocks | 2,550,000 | 1.66 |
| 8 | Apex Minerals NL | 2,000,000 | 1.30 |
| 9 | Mr Bruce Robert Legendre | 1,945,000 | 1.27 |
| 10 | Mr Shay Shimon Hazan | 1,940,000 | 1.26 |
| 11 | Indo Mines Limited | 1,850,000 | 1.20 |
| 12 | Mr John Henry Philp | 1,700,000 | 1.11 |
| 13 | Finance Associates Pty Ltd | 1,350,000 | 0.88 |
| 14 | Mark Gareth Creasy | 1,342,500 | 0.87 |
| 15 | Mr Stephen Smith | 1,320,000 | 0.86 |
| 16 | Ladnay Pty Ltd | 1,300,000 | 0.85 |
| 17 | Forbar Custodians Limited | 1,182,052 | 0.77 |
| 18 | Mr Alan Raney Stiff and Ms Colleen Margaret Budge | 1,043,773 | 0.68 |
| 19 | Mr Robert Hastings Smythe | 1,000,000 | 0.65 |
| 20 | Mr Brian Lesleigh Williams and Mrs Valerie Ruby Dawn Williams | 1,000,000 | 0.65 |
| | | 50,896,437 | 33.12 |

TWENTY LARGEST OPTIONHOLDERS

| | Options | Number | % |
|----|---|-------------------|--------------|
| 1 | Flinders Mines Limited | 4,025,000 | 6.08 |
| 2 | Yandal Investments Pty Ltd | 2,676,001 | 4.04 |
| 3 | Triple Eight Gold Pty Ltd | 1,498,750 | 2.26 |
| 4 | KJ Exploration Pty Ltd | 1,395,000 | 2.11 |
| 5 | Chaffey Consulting Pty Ltd | 1,255,129 | 1.89 |
| 6 | Mr Brian Lesleigh Williams and Mrs Valerie Ruby Dawn Williams | 1,250,000 | 1.89 |
| 7 | Zero Nominees Pty Ltd | 1,199,023 | 1.81 |
| 8 | Mr John Henry Philp | 1,150,837 | 1.74 |
| 9 | Mr Gary Eric Maddocks and Ms Paula Maddocks | 1,147,500 | 1.73 |
| 10 | Mr Robert Foster Colefax and Mrs Irene Louise Colefax | 1,000,000 | 1.51 |
| 11 | Apex Minerals NL | 900,000 | 1.36 |
| 12 | Mr Bruce Robert Legendre | 886,250 | 1.34 |
| 13 | Mr Shane Francis Kennedy | 862,728 | 1.30 |
| 14 | Indo Mines Limited | 832,500 | 1.26 |
| 15 | Finance Associates Pty Ltd | 800,000 | 1.21 |
| 16 | Carojon Pty Ltd | 708,800 | 1.07 |
| 17 | Forbar Custodians Limited | 613,400 | 0.93 |
| 18 | Mark Gareth Creasy | 604,125 | 0.91 |
| 19 | Ladnay Pty Ltd | 585,000 | 0.88 |
| 20 | Mrs Razieh Moheiman | 568,400 | 0.86 |
| | | 23,958,443 | 36.18 |

Glossary of Technical Terms

| | | | |
|-----------------------|--|-----------------------------|---|
| aircore | A method of rotary drilling whereby rock chips are recovered by compressed air flow returning inside the rods. | geochemistry | The study of the abundance and distribution of elements in rocks, or their weathering products, by chemical methods. |
| anomaly | A value or group of values different from the expected norm. | gneiss | A foliated rock formed by regional metamorphism. |
| anticline | A fold in rock strata that is convex upward with a core of older rocks. | grams per tonne | Unit of measurement often used for the number of grams of precious metal (gold, silver or PGMs) in a tonne of rock. |
| Archaean | The oldest rocks of the Precambrian era, older than about 2,500 million years. | granite | A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas. |
| assay | Method of geochemical analysis generally referring to measurement of precious metal contents in a rock. | granitoid | A field term for a coarse grained felsic rock resembling granite. |
| base metal | Referring to the transition elements, including copper, zinc and lead. | gravity | The force due to a body's attraction to the centre of the earth; also descriptive of a geophysical survey method which measures gravity responses. |
| basement | The igneous and metamorphic crust of the earth, underlying sedimentary deposits. | greywacke | Type of sandstone composed of quartz, feldspar and clays. |
| bedrock | Solid rock underlying surficial deposits. | greenstone | A term commonly applied to low metamorphic grade rocks of basic composition and comprised of the minerals chlorite and amphibole. Commonly applied to Archaean rock sequences dominated by these rock types (also referred to as "greenstone belts"). |
| carbonate | A compound containing the radical CO ₃ ; commonly calcium carbonate or calcium-magnesium carbonate. | Heritage clearance | Reference to a clearance survey undertaken to ensure exploration activities do not encroach on sites of indigenous heritage. |
| calcite | A mineral composed of calcium and carbonate. | igneous | Rocks that have solidified from molten rock (magma). |
| calcrete | Calcium carbonate, dissolved and redeposited as surficial limestone. | inferred (mineral) resource | Mineralisation sufficiently assessed by drilling to allow an estimate of its tonnage and grade parameters under guidelines of the Australian Joint Ore Reserves Committee code. |
| chert | Fine grained sedimentary rock composed of cryptocrystalline silica. | iron oxide | Reference to a style of copper-gold-uranium mineralization that is hosted in rocks containing dominant iron oxide minerals such as magnetite and/or hematite. |
| complex(es) | In the geological sense meaning an area of general complexity. | infill drilling | Drilling that infills a pattern of previous drilling. |
| contact zone | With reference to the contact between an intrusive igneous rock and surrounding intruded rocks. | intersection | General reference to encountering an interval of mineralisation in a drill hole. |
| core drilling | A rotary drilling technique in which a stick of rock is cut from the underlying geological sequence. | intrusive | A mass of rock formed by magma cooling beneath the earth's surface. |
| craton | Large, and usually ancient, stable mass of the earth's crust. | layered | Meaning the rock units are layered as in a cake. |
| deformation | A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress. | limestone | Rock composed of calcium carbonate (calcite). |
| diamond drilling | A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit. | lineament | A significant linear feature of the earth's crust, usually related to a major fault or shear structure. |
| drill traverses | Reference to a line of drill holes. | lode | A tabular or vein-like deposit of valuable mineral between well defined walls. |
| electrical geophysics | Geophysical survey techniques involving the use and measurement of electrical currents. | mafic | Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates. |
| extension drilling | Reference to extending the drilling pattern generally along the projected strike or direction of a mineralised zone. | magnetic anomaly | Zone where the magnitude and orientation of the earth's magnetic field differs from adjacent areas. |
| Exploration Target | Exploration Targets are reported according to Clause 18 of the JORC Code. This means that they are partly conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any mineral resource. | Mesozoic | Era of geological time from about 235 million years ago to 65 million years ago. |
| fault | A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally. | metalliferous | As referencing minerals in which the metal content is of potentially extractable and, therefore, of potential economic significance. |
| farm-in | Reference to dealing on opportunities through earning an equity in a new project through joint venture or purchase. | metamorphosed | A rock that has been modified by the effects of pressure, heat and fluids within the earth's crust. |
| farm-out | Reference to dealing on opportunities through earning an equity in an existing project through joint venture or sale of equity in a project. | mineralisation | A concentration of metals and their chemical compounds within a body of rock. |
| felsic | Descriptive of light coloured rocks containing an abundance of feldspars and quartz. | marble | A metamorphic rock composed of calcite or dolomite. |
| g/t Au | Grams gold per tonne. | Native Title | Reference to indigenous landownership. |
| | | non-diamond | All minerals other than diamonds. |

Glossary of Technical Terms

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| occurrence | A location generally marking the presence of abnormal or anomalous quantities of a naturally occurring material. | RC drilling | Reverse circulation drilling; A method of drilling whereby rock chips are recovered by airflow returning inside the drill rods rather than outside, thereby (usually) providing more reliable samples. |
| oxidation | Near surface decomposition by exposure to the atmosphere and ground water. | sandstone | Sediment composed of sand size particles – generally quartz sand. |
| PACE | Program of Accelerated Exploration – a South Australian Government initiative. | saprolite | A soft, earthy clay-rich, thoroughly decomposed rock formed in place by chemical weathering of rocks. |
| palaeochannel | Ancient river channel that may or may not reflect the present day drainage pattern. | schist | A metamorphic rock with a platy or foliated texture. |
| Paleozoic | Era of geological time between the Precambrian and Mesozoic Eras, from about 545 million years ago to 235 million years ago. | sediment | Rocks formed by the deposition of solids from water. |
| PGE | An abbreviation for the platinum group elements, referring to ruthenium, rhodium, palladium, osmium, iridium and platinum. | sedimentary | Formed or existing within a sediment. |
| porphyry | A rock with conspicuous crystals in a fine grained ground mass. | serpentinised | Hydrothermally altered magnesium rich rock dominated by serpentine minerals. |
| ppb or ppm | Parts per billion or parts per million. | sphalerite | A sulphide mineral of zinc and iron. |
| potentially economic | Tonnage and grade of mineralisation is within range of other past and present mining operations but additional mining factors have not been assessed. | shear | A planar zone of dislocation in rock similar to a fault. |
| Precambrian | Part of geological time prior to about 545 million years ago and including both the Archaean and Proterozoic eras. | siltstone | A very fine grained consolidated clastic rock composed predominantly of silt. |
| precollored | Generally referencing cored drill holes for which the upper start of the hole has been drilled by other techniques such as percussion or rotary mud drilling. | soil sampling | Systematic collection of samples of soil at a series of locations in order to study the distribution of geochemical values in the soil. |
| primary mineralisation | Refers to mineralisation that remains in its original form within unweathered rocks. | stratigraphy | Composition, sequence and correlation of stratified rock in the earth's crust. |
| Proterozoic | The younger part of the Precambrian Era, being between 545 and 2,500 million years ago. | structural | Pertaining to geological structure. |
| pyrite | An iron sulphide mineral. | sulphide | A mineral compound characterised by the linkage of sulphur and a metal. |
| quartz | A mineral composed of silicon dioxide. | supergene | A term to describe a mineral deposit or enrichment formed near the surface generally by descending groundwater. |
| quartzite | A metamorphosed sandstone composed of quartz. | syncline | A fold in rock strata that is concave upward with a core of younger rocks. |
| radiometrics | Here refers to radiometric measurements for uranium. | ultramafic | Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar. |
| reconnaissance | A general examination or survey of a region with reference to its main features, usually preliminary to a more detailed survey. | underground workings | General reference to underground mine workings that include vertical shafts and horizontal tunnels beneath the natural surface. |
| reef | Mining term generally referring to a thick vein of quartz. | U ₃ O ₈ | Chemical formula for an oxide of uranium. |
| regional exploration | Exploration undertaken over a wide area. | vein | A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz. |
| regolith | Upper layer of rocks comprising weathered and extraneous materials that may cover the basement geology. | vermiculite | A platy micaceous mineral used in insulation and for its absorption properties. |
| resource | In-situ mineral occurrence from which valuable or useful minerals may be recovered. | volcanic | Descriptive of rocks originating from extrusive igneous activity. |
| RAB drilling | Rotary airblast drilling; a rotary drilling technique in which sample is returned to surface outside of the drill rod string by compressed air. | weathering | The group of processes that change the character and composition of rocks by decay. |

