MAXIMUS RESOURCES LIMITED

Annual Report
2013

CORPORATE DIRECTORY

Maximus Resources Limited ABN 74 111 977 354

DIRECTORS

Robert Michael Kennedy (Non-executive Chairman)
Kevin Malaxos (Managing Director)
Leigh Carol McClusky (Non-executive Director)
Ewan John Vickery (Non-executive Director)
Nicholas John Smart (Alternate for Mr Vickery)

COMPANY SECRETARY

Rajita Alwis

REGISTERED OFFICE

Level 3, 100 Pirie Street
Adelaide South Australia 5000

PRINCIPAL OFFICE

Level 3, 100 Pirie Street
Adelaide South Australia 5000
Telephone +61 8 7324 3172, Facsimile +61 8 8312 5501

SOLICITOR

DMAW Lawyers

Level 3, 80 King William Street
Adelaide South Australia 5000
Telephone +61 8 8210 2222, Facsimile +61 8 8210 2233

SHARE REGISTRY

Computershare Investor Services

Level 5, 115 Grenfell Street
Adelaide South Australia 5000
Telephone +61 8 8236 2300, Facsimile +61 8 8236 2305

AUDITOR

Grant Thornton

67 Greenhill Road
Wayville South Australia 5034

BANKER

National Australia Bank

161–167 Glynburn Road
Firle South Australia 5070

STOCK EXCHANGE LISTING

Australia Securities Exchange (Adelaide)

Maximus Resources Limited shares are listed on the Australian Securities Exchange

ASX code: MXR

WEBSITE

www.maximusresources.com

The website includes information about the Company, its strategies, projects, reports and ASX announcements.

COMPLIANCE STATEMENTS

Disclaimer

This Annual Report contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.

Exploration Targets

Exploration Targets are reported according to Clause 18 of the JORC Code, 2004. This means that the potential quantity and grade is conceptual in nature and that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person

The information in this report relating to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Steven Cooper who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cooper is a consultant to Maximus Resources Limited. He has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and consents to the inclusion of the information in this report in the form and context in which it appears. Mr Cooper qualifies as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

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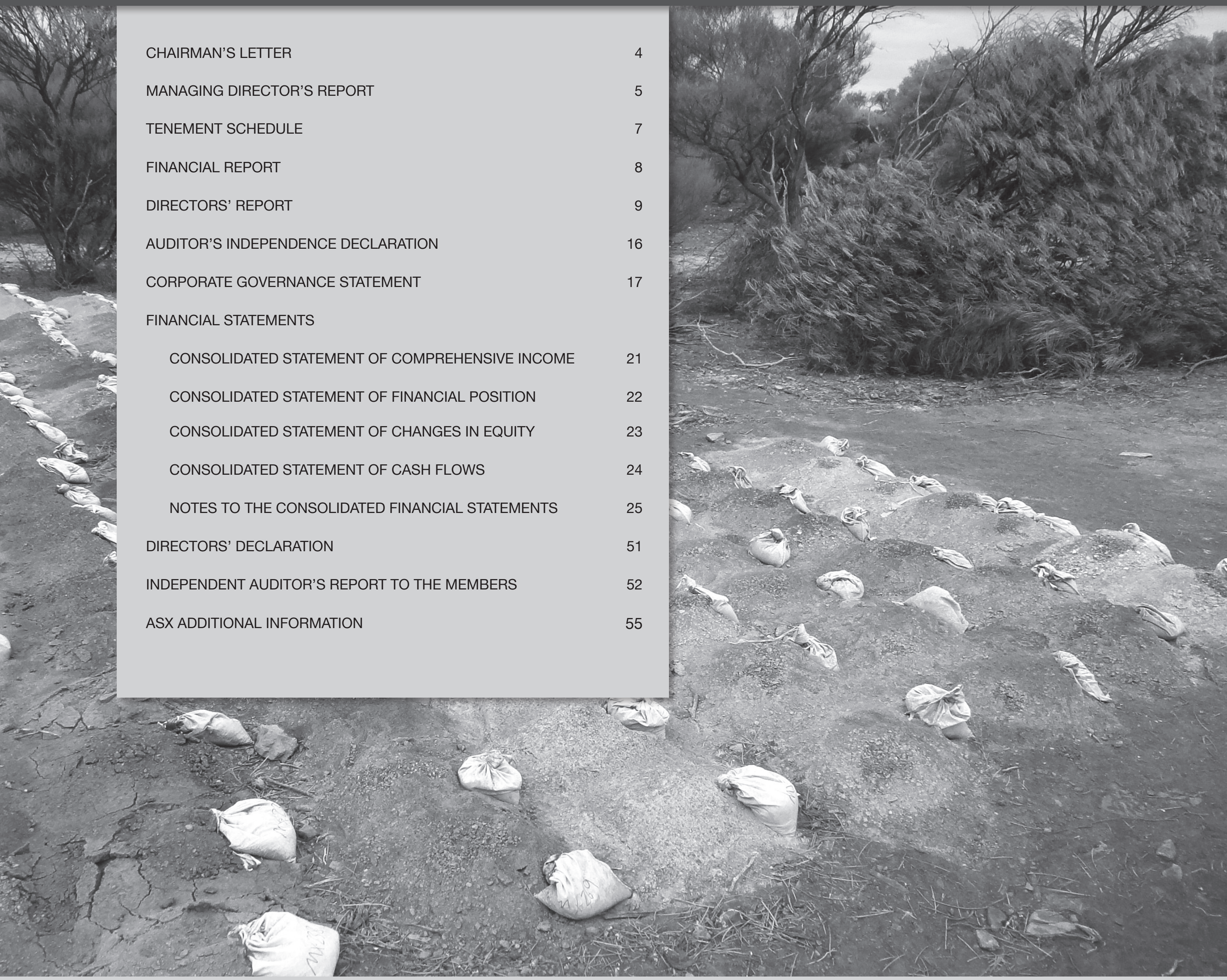

CHAIRMAN'S LETTER

Dear Fellow Shareholders

As reported in the 2012 Annual Report, we commenced a comprehensive review of the company assets with the view to prioritising and rationalising what was a significant and expensive expanse of land to maintain and explore. We preserved with this program as the economic outlook continued to deteriorate throughout 2012 and into 2013, only the core tenements we believe hold the highest prospects for success .

We remain of the view that the Narndee tenements provide the greatest opportunity for a company making discovery. The most recent exploration drilling completed on one of the southern Narndee tenements has confirmed significant massive sulphide intersections with encouraging zinc and copper assay results in several holes. There remains a broad choice of gold and base metal targets across our tenement holding which we plan to explore progressively. We plan to continue to focus on this region with further soil sampling and Induced Polarisation (IP) survey work planned later this year with an initial drilling program on our northern gold tenements planned in early 2014.

I reported to shareholders last year that until markets improve and we can raise additional capital our strategy is to seek joint venture parties or sell projects with a view to retaining some upside for the company. This process culminated with the divestment of the Sellheim project in Queensland to a private consortium in August 2012. These funds were directed to the 2nd stage drilling program at Narndee.

Lack of exploration success by Nupower Resources Limited resulted in the termination of the Strangway Joint Venture Agreement on the Woolanga tenements in the Northern Territory. Maximus subsequently withdrew from the Strangway Exploration Agreement with Flinders Mines Limited and retains no interest in, and no expenditure commitments on these tenements.

We rationalised the Narndee tenement holding in the second half of 2012, retaining the high priority tenements that hold our core exploration targets.

Our Managing Director commenced discussions earlier this year with parties interested in a Joint Venture on the Adelaide Hills tenements including the significant Bird in Hand project. However as the markets continued to deteriorate, so did any premium for the contained mineral resource and ultimately interest in a Joint Venture. However, as reported to the ASX in July 2013, we have signed a binding agreement for the sale of five tenements in the Adelaide Hills to Terramin Australia Limited for a total of $3.5 million, plus a 0.5% royalty plus 25 million Terramin shares. We retain four tenements from the original suite of tenements in the Adelaide Hills and these will incur only modest exploration expenditures in 2014.

We retain 100% ownership of the Billa Kalina tenements following termination of the Farm-in Joint Venture Agreement with ERO Mining Limited (now Tychean Resources Limited). Tychean Resources Ltd ("Tychean"), (formerly ERO Mining Ltd) completed a gravity survey in January this year to test and confirm the anomalous dataset located on the Peeweena Dam target. The survey results did not repeat the historic results and Tychean decided to withdraw from the JV Agreement. Maximus has been in discussions with an international exploration house negotiating a new Joint Venture Agreement. At the time of writing no formal agreement was in place but negotiations were continuing. This arrangement offers the best result for shareholders with a joint venturer funding exploration expenditures for the foreseeable future, with Maximus retaining equity in any project upside.

Rationalisation of our significant tenement holdings both in South Australia and Western Australia has reduced the burden on the company. Further deterioration in market conditions will require us to continue to do so as we attempt to maintain a hold on the most prospective areas where we have invested significant funds.

Shareholders supported a capital raising of a total of $384,000 in the first half of 2013 through the issue of 96,084,638 fully paid shares including a free attaching option enabling work on the Narndee project to progress. I'm sure shareholders are aware of the difficulty facing junior explorers in the current market in raising sufficient capital to pursue what your board considers to be prime targets for exploration.

We continue to operate on minimal budget overheads in order to conserve our capital for exploration whilst meeting an acceptable standard for a listed company. Our Managing Director has worked diligently to progress our exploration within the capital constraints. I commend his report to you which will expand on our projects.

Most people are aware that I am a strong supporter of flow through share arrangements, and if ever there was an appropriate time to implement flow through deductibility for capital raised by exploration companies, surely it has to be now to preserve the future viability of the resources sector.

It remains for me to thank shareholders, my fellow Directors, staff and contractors for their assistance and support in what has been another difficult year. I look forward to company changing exploration success and your continued support for Maximus for the coming year.

Bob Kennedy
CHAIRMAN

MANAGING DIRECTOR'S REPORT

Review of operations

The 2012–2013 financial year continued the progress achieved in 2012 with the rationalisation of the company's tenement holdings, resolution of our Joint Venture activities in South Australia and the Northern Territory and our ongoing focussed exploration activities on our core assets. Progress was achieved under significant financial constraints, however the company was able to complete the majority of its planned exploration activities.

The Narndee tenements in Western Australia remained the primary focus for the company with the second stage drilling campaign commencing during September 2012. The results from the drilling program further increased confidence that the area has the potential to host a significant Volcanic Massive Sulphide (VMS) style copper-gold orebody similar to the nearby MinMetals' Golden Grove project. The next phase of exploration is a step-out soil sampling program and an Induced Polarisation (IP) survey to test a broader area of the tenement to identify additional drill targets.

To date, three of the 18 high priority targets identified during the detailed review of the entire Narndee tenement holding completed in 2011–12 have been tested. Significant potential exists within these tenements justifying the ongoing high priority exploration focus. Several tenements failed to amass the required expenditure commitments over the exploration license term and were relinquished during the year. Maximus retained the core of the tenements the subject of our recent exploration focus.

Following the restructure of the ownership of the Adelaide Hills tenements early in 2012, Maximus became the primary tenement holder of all ten tenements (including those originally held by Flinders Mines Limited, FMS) with FMS retaining the diamond right on six of those tenements. During the current year, FMS subsequently relinquished the diamond rights on the tenements, resulting in Maximus holding all mineral rights on the nine Adelaide Hills tenements.

In July 2013, Maximus signed a Binding Agreement with Terramin Australia Limited for the sale of five of the Adelaide Hills tenements, including the Bird in Hand project. The total transaction is valued at $3,500,000, plus a 0.5% gross royalty on gold in excess of 50,000oz mined plus 25 million Terramin FPO shares. The first payment of $1.5 million plus 25 million shares is due to Maximus upon signing of the formal Sales Agreement and transfer of the tenements to Terramin. This is anticipated in October 2013. Maximus retains four tenements in the Adelaide Hills region and shall progress exploration on these tenements in 2014.

The Billa Kalina project comprising of three tenements is located northwest of Lake Torrens in the Eromanga Basin within the Woomera Prohibited Area (WPA) in central South Australia. The tenements were originally held by Flinders Mines Limited (FMS)

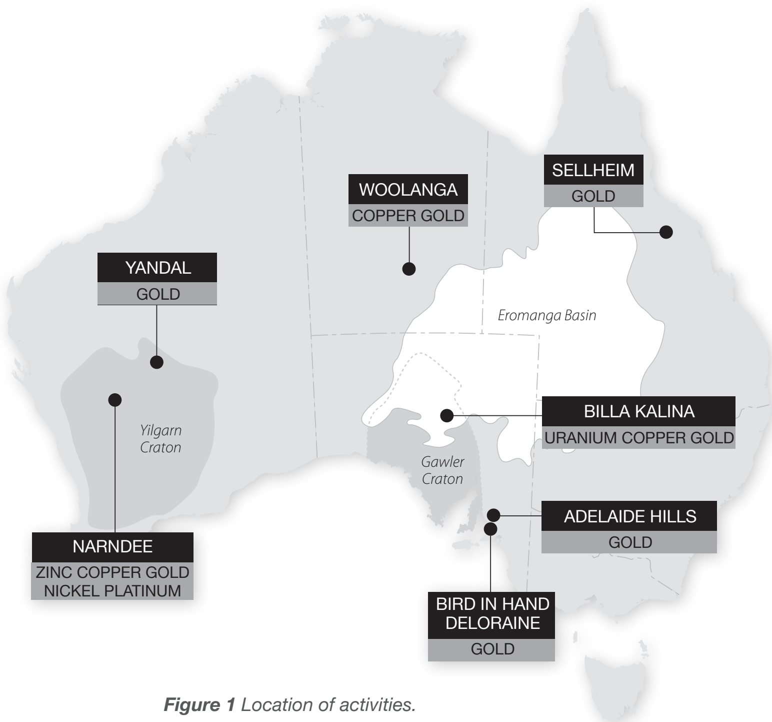

Figure 1 *Location of activities.*

whose diamond mineral rights were subsequently transferred to Maximus for a nominal cost. Maximus now holds all mineral rights on the tenement package.

The project was part of the Billa Kalina Joint Venture and was managed by our Joint Venturer, Tychean Resources Limited ("Tychean"), formerly ERO Mining Limited. A ground gravity survey conducted on the Peeweena Dam anomaly by Tychean in January 2013 failed to identify a significant anomaly, resulting in termination of the JV agreement in May 2013. Maximus retain 100% of the project. Maximus has been negotiating a new Farm-in and Joint Venture Agreement with a significant international explorer which we anticipate consummating in October 2013. Maximus continue to hold the view that the Billa Kalina tenements remains some of the most highly prospective, but under explored ground in South Australia.

The Marree tenement, EL 4913 is situated along the margins of the Eromanga Basin in South Australia and Northern Territory. This tenement is under review for possible joint venture following the withdrawal of Tychean, from the Joint Venture Agreement.

2012–13 commenced with the sale of the Sellheim project to a private consortium for a total of $400,000 plus replacement of a $91,000 environmental bond. The transaction was finalised in August 2012.

The Woolanga Project comprised two tenements located in the Eastern Arunta complex, approximately 60km NE of Alice Springs in the Northern Territory and formed part of the Strangway Joint Venture Agreement with Nupower Limited (name changed to Central Australian Phosphate Limited). No exploration activities were completed by the Joint Venturer resulting in termination of the JV Agreement and relinquishment of the tenements.

In summary, 2012–2013 has been a significant year for your company; a year of rationalisation and consolidation. Additional exploration on the Narndee tenements in Western Australia provided exciting results, confirming significant intersections of massive sulphide mineralisation, high grade zinc intersections and anomalous copper grades. Divestment of the Sellheim project resulted in immediate cost savings and allowed the company to focus on our core assets. The disappointment of the result of the Peeweena Dam gravity survey should be relegated to history once a new Joint Venture Agreement is signed and exploration activities recommence. We continue to believe that this project has the potential to be a significant stand-alone project for your company.

The company completed a capital raising during the year in April via a 1 for 2 non-renounceable rights issue with 1 free attaching option (exercisable at 2 cents prior to 30 April 2015) for each new share. The ongoing support of our shareholders is greatly appreciated particularly during these difficult financial times. We received applications for 25% of the rights issue shares, and elected not to issue shortfall shares. This was a measured decision by the board to defer the issuing of further capital until market conditions improve or a significant project or opportunity is presented.

The year ahead will see continued focus on progressing exploration activities on the highly prospective Narndee tenements in Western Australia, the planned completion of the Sale of the five Adelaide Hills tenements to Terramin, and commencement of the proposed Billa Kalina Farm-in & Joint Venture Agreement and continued review of other projects and opportunities as they arise.

We have completed the review of all company assets and taken steps to rationalise and de-risk the company and believe we are now in a position to grow the company with a fundamentally sound asset base and focussed exploration plans.

I would like to my fellow board members for their assistance and support throughout the year, my staff and contractors for their significant efforts, it is very much appreciated and in closing, I would like to thank the Maximus shareholders for your continued support of the board through another challenging but exciting year.

Kevin Malaxos
MANAGING DIRECTOR

TENEMENT SCHEDULE

For the year ended 30 June 2013

Tenement number	Tenement name	Date granted / applied for	Expiry date	Area (sq km)	Registered holder / applicant	Related agreement
WESTERN AUSTRALIA						
Narndee Project						
E58/356	Mount Ford	25/02/2010	24/02/2015	212	Maximus Resources Ltd	
E59/908	Narndee	8/09/2000	7/09/2013	48	Maximus Resources Ltd	
E59/1335	4 Corner Bore	17/04/2008	16/04/2018	50	Maximus Resources Ltd	
E58/444		4/10/2012		6	Maximus Resources Ltd	
E59/1917		4/10/2012		21	Maximus Resources Ltd	
E59/1918		4/10/2012		35	Maximus Resources Ltd	
SOUTH AUSTRALIA						
Adelaide Hills Project						
EL 4303	Lobethal	1/09/09	31/08/13	222	Maximus Resources Ltd	
EL 4641	Echunga	7/01/11	6/01/14	173	Maximus Resources Ltd	
EL 4712	Mt Pleasant	30/03/11	29/03/14	452	Maximus Resources Ltd	
EL 5214	Mt Barker	25/02/08	24/02/15	118	Maximus Resources Ltd	
EL 5262	Kapunda	28/04/08	27/04/15	626	Maximus Resources Ltd	
EL 4227	Brukunga	25/02/09	24/02/14	94	Maximus Resources Ltd	
MC 4113	Bird in Hand	11/11/08	11/11/2009*	2	Maximus Resources Ltd	
EL 4193	Mount Monster	27/10/08	26/10/13	182	Maximus Resources Ltd	
EL 4194	Williamstown	27/10/08	26/10/13	20	Maximus Resources Ltd	
EL 5135	Mount Rufus	3/09/07	2/09/13	37	Maximus Resources Ltd	
Billa Kalina Project						
EL 4463	Billa Kalina	13/04/10	12/04/14	1,023	Maximus Resources Ltd	
EL 4899	Bamboo Lagoon	31/05/12	30/05/14	412	Maximus Resources Ltd	
EL 4854	Millers Creek	27/04/12	26/04/14	771	Maximus Resources Ltd	
QUEENSLAND						
Sellheim Project						
EPM 13499	Mount Richardson	1/03/2004	29/02/12	11.00	Maximus Resources Limited	Sellheim Agreement
EPM 15778	Sellheim River	19/12/2007	18/12/12	63.00	Maximus Resources Limited	Sellheim Agreement
EPM 17573	Douglas Creek	21/04/2008		39.00	Maximus Resources Limited	Sellheim Agreement

* *MC 4113 is still current pending grant of Retention Licence application lodged on 10 November 2009*

FINANCIAL REPORT

For the year ended 30 June 2013

MAXIMUS RESOURCES LIMITED

ABN 74 111 977 354

These financial statements are the consolidated financial statements of the consolidated entity consisting of Maximus Resources Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Maximus Resources Limited is a company limited by shares, is listed on the Australian Securities Exchange (ASX) under the code “MXR” and is incorporated and domiciled in Australia. The registered office and principal place of business is:

Maximus Resources Limited
Level 3, 100 Pirie Street
Adelaide SA 5000

Registered postal address is:
Maximus Resources Limited
Level 3, 100 Pirie Street
Adelaide SA 5000

A description of the nature of the Company’s operations and its principal activities is included in the directors’ report on pages 9 to 15, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 30 September 2013. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: *www.maximusresources.com.*

DIRECTORS' REPORT

Your directors present their report on Maximus Resources Limited (referred to hereafter as the Company) at the end of, or during, the year ended 30 June 2013

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Robert Michael Kennedy	(Non-executive chairman)
Kevin John Malaxos	(Managing Director)
Leigh Carol McClusky	(Non-executive director)
Ewan John Vickery	(Non-executive director)
Nicholas John Smart	(Alternate director for E J Vickery)

PRINCIPAL ACTIVITIES

During the year the principal activities of the Company consisted of natural resources exploration and development.

DIVIDENDS

There were no dividends declared or paid during the year (2012: Nil).

OPERATIONAL AND FINANCIAL REVIEW

1. Operating results and financial position

The net result of operations of the Company for the financial year was a loss of $13,091,023 (2012: $1,801,502). This loss is significantly higher than the previous year due to impairment charges of $12,029,940 being recorded for the year.

The net assets of the Company have decreased by $10,452,794 during the financial year from $16,744,170 at 30 June 2012 to $6,291,376 at 30 June 2013. This decrease is attributable to impairment to exploration assets of $9,748,503 and impairment to financial assets totaling $2,281,437.

2. Review of Operations

Narndee

The Narndee tenements in Western Australia remained the primary focus for the company with the second stage drilling campaign commencing during September 2012. A nine hole program was planned to further test the mineralised sulphide intersections reported in the phase 1 drilling program earlier in the year. Assay returns from this drilling continued to provide encouraging results with several holes recording significant copper and zinc intervals and grades. The results from the drilling program further increased confidence that the area has the potential to host a significant Volcanic Massive Sulphide (VMS) style copper-gold orebody similar to the nearby MinMetals' Golden Grove project. The next phase of exploration is a step-out soil sampling program and an Induced Polarisation (IP) survey to test a broader area of the tenement to identify additional drill targets.

To date, three of the 18 high priority targets identified during the detailed review of the entire Narndee tenement holding completed in 2011–12 have been tested. Significant potential exists within these tenements justifying the ongoing high priority exploration focus. Several tenements failed to amass the required expenditure commitments over the exploration license term and were relinquished during the year. Maximus retained the core of the tenements the subject of our recent exploration focus. Those tenements that retain significant potential shall be tracked and reapplied for should they become available.

Adelaide Hills

Following the restructure of the ownership of the Adelaide Hills tenements early in 2012, Maximus became the primary tenement holder of six tenements (originally held by Flinders Mines Limited, FMS) with FMS retaining the diamond right on these tenements. During the current year, FMS subsequently relinquished the diamond rights on the tenements, resulting in Maximus holding all mineral rights on the nine Adelaide Hills tenements. No on-ground exploration activities were undertaken on the Adelaide Hills tenements during the year.

In July 2013, Maximus signed a Binding Agreement with Terramin Australia Limited for the sale of five of the Adelaide Hills tenements, including the Bird in Hand project. The total transaction is valued at $3,500,000, plus a 0.5% gross royalty on gold in excess of 50,000oz mined with a gold price above A$1,000/oz plus 25 million Terramin fully paid ordinary (FPO) shares. The first payment of $1.5 million plus 25 million shares is due to Maximus upon signing of the formal Sales Agreement and Ministerial approval for transfer of the tenements to Terramin. This is anticipated in October 2013.

Maximus retains four tenements in the Adelaide Hills region and proposes to progress exploration on these tenements in 2014.

Billa Kalina

The Billa Kalina project is located north west of Lake Torrens in the Eromanga Basin within the Woomera Prohibited Area (WPA) in central South Australia and comprises three tenements. The tenements were originally held by Flinders Mines Limited (FMS, previously Flinders Diamonds) who retained diamond mineral rights which were subsequently transferred to Maximus for a nominal cost. Maximus now holds all mineral rights on the tenement package.

The project was part of the Billa Kalina Joint Venture and was managed by our Joint Venturer, Tychean Resources Limited ("Tychean"), formerly ERO Mining Limited. A ground gravity survey on the Peeweena Dam anomaly was completed by Tychean in January 2013 without success, resulting in termination of the JV agreement in May 2013, with Maximus retaining 100% of the project.

Maximus has been negotiating a new Farm-in and Joint Venture Agreement with a significant international explorer to continue exploration on the Billa Kalina tenements which we believe remains some of the most highly prospective, but under explored ground in South Australia. We anticipate completing negotiations in October 2013 and look forward to progressing exploration on these tenements.

Maree

The Marree tenement, EL 4913 is situated along the margins of the Eromanga Basin in South Australia and Northern Territory. This tenement is under review for possible joint venture following the withdrawal of Tychean, from the Joint Venture Agreement.

Woolanga

The Woolanga Project comprised two tenements located in the Eastern Arunta complex, approximately 60km NE of Alice Springs in the Northern Territory and formed part of the Strangway Joint Venture Agreement with Nupower Limited (name changed to Central Australian Phosphate Limited). No exploration activities were completed by the Joint Venturer resulting in termination of the JV Agreement and relinquishment of the tenements.

Sellheim

The Sellheim project was sold to a private consortium for a total of $400,000 plus replacement of a $91,000 environmental bond. The transaction was finalised in August 2012.

Corporate

The company completed a capital raising during the year in April via a 1 for 2 non-renounceable rights issue with 1 free attaching option (exercisable at 2 cents prior to 30 April 2015) for each new share. The ongoing support of our shareholders is greatly appreciated particularly during these difficult financial times. We received applications for 25% of the rights issue shares, and elected not to issue shortfall shares. The decision not to issue shortfall shares was a measured decision by the board of your company to defer the issuing of further capital until market conditions improve or a significant project or opportunity is presented.

Summary

2012–2013 has been a significant year for your company; a year of rationalisation and consolidation. Additional exploration on the Narndee tenements in Western Australia provided exciting results, confirming significant intersections of massive sulphide mineralisation, high grade zinc intersections and anomalous copper grades. Divestment of the Sellheim project resulted in immediate cost savings and allowed the company to focus on our core assets. The disappointment of the result of the Peeweena Dam anomaly gravity survey should be forgotten once a new Joint Venture Agreement is signed and renewed exploration activities commence. We continue to believe that this project has the potential to be a significant stand-alone project for the company.

3. Significant changes in the state of affairs

There have been no significant changes in the state of affairs from the 2012 financial year to 2013.

4. Events arising since the end of the reporting period

Subsequent to balance date a binding sales agreement with Terramin Australia Limited ("Terramin") was signed for the sale of five of the Company's Adelaide hills tenements, including the Bird in Hand gold project near Woodside. The total consideration for the tenements is $3.5 million, 25 million Terramin fully paid ordinary (FPO) shares plus a 0.5% Royalty on future gold production in excess of 50,000 ounces with a gold price above A$1,000/oz. The consideration for the sale will be received in three stages contingent on certain terms and conditions being met. The Company is currently preparing the Sales Agreement for signing to be followed by submission to the Minister of mines of the tenement transfer documents which will meet the conditions of the first stage payment ($1.5 million plus 25 million Terramin shares).

Apart from the above, no transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report that is likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

5. Future business developments, prospects and business strategies

The year ahead will see continued focus on progressing exploration activities on the highly prospective Narndee tenements in Western Australia, planned completion of the Sale of the five Adelaide Hills tenements to Terramin, providing significant working capital for the company and commencement of exploration on the proposed Billa Kalina Farm-in & Joint Venture Agreement tenements and continued review of other projects and opportunities as they arise.

We have completed the review of all company assets and taken steps to rationalise and de-risk the company and believe we are now in a position to grow the company with a fundamentally sound asset base and focussed exploration plans.

6. Environmental regulation

The Company'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 Company on any of its tenements. The Company believes it is not in breach of any environmental obligation.

INFORMATION ON DIRECTORS

Robert Michael Kennedy

ASAIT, Grad Dip (Systems Analysis), FCA, ACIS, Life Member AIM, FAICD.

Non-executive Chairman.

Experience and expertise

Mr Kennedy has been non-executive chairman of Maximus Resources Limited since 2004. He is a Chartered Accountant and a consultant of Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy brings to the Board his expertise and extensive experience and a chairman and non-executive director of a range of listed public companies in the resources sector.

He conducts the review of the Board including the Managing Director in his executive role. Mr Kennedy leads the development of strategies for the development and future growth of the Company. Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the Board's external engagement of the Company meeting with Government, investors and is engaged with the media. He is a regular attendee of Audit Committee functions of the major accounting firms and is a regular presenter on topics relating to directors with the AICD and the CSA. During the year he attended the Masterclass of the Australian Institute of Directors with members of top ASX200 company boards.

Independence

In assessing Mr Kennedy's independence, the Board (excluding Mr Kennedy), took into account his ability to think independently across a wide range of issues and his continuous availability now enhanced by his resignation from the Somerton Energy Ltd Board and his not seeking re-election to the Board of Beach Energy Ltd. Whilst Mr Kennedy has been appointed to a number of Resource Industry Boards, due to his extensive knowledge of the industry, the time required across these companies in no way impedes on his dedication to his role as Chairman of the Board. During the year the Company completed a non-renounceable rights issue that resulted in Mr Kennedy's holding increasing to 5.75%. As Mr Kennedy holds more than five per cent of the voting shares of the Company, he is considered to not be independent.

Current and former directorships in the last 3 years

Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since December 2001), Tychean Resources Limited (formerly ERO Mining Limited) (since March 2006), Monax Mining Limited (since August 2004), Marmota Energy Limited since listing in April 2006 and formerly Beach Energy Limited (1991 to 2012), Somerton Energy Limited (from 2010 to 2012), Impress Energy Limited (from March 2011 to September 2012) and Adelaide Energy Limited (9 December 2011 to 21 September 2012). He was appointed Executive Chairman of Flinders Mines on during April 2013. He was also appointed the Chairman of the University of Adelaide's Institute of Minerals and Energy Resources in 2008.

Special responsibilities

Chairman of the Board.

Member of the Audit Committee.

Interests in shares and options

50,000,000 ordinary shares in Maximus Resources Limited.
18,000,000 unlisted options in Maximus Resources Limited

Kevin John Malaxos

BSc Mining Engineering. Managing Director.

Experience and expertise
A director since 13 December 2010, Mr Malaxos has 28 years experience in the resources sector in senior management and executive roles across a suite of commodities including gold, nickel, iron ore, silver, lead, zinc and chromium. He has managed surface and underground mining operations and brings a wealth of experience in project evaluation and development, project approval and Government liaison.

Mr Malaxos' previous roles include CEO for Mt Gibson Mining (MGX) and COO of listed iron ore developer Centrex Metals Limited (CXM), where he was responsible for project development, project approvals and community and government consultation.

Other current directorships
Mr Malaxos is a non-executive director of ASX listed company Flinders Mines Limited (since December 2010).

Special responsibilities
Managing Director.

Interests in shares, options and rights
20,000,000 ordinary shares in Maximus Resources Limited.

7,000,000 unlisted options in Maximus Resources Limited.

Leigh Carol McClusky

Non-executive Director.

Experience and expertise
Appointed as a director on 1 September 2010, Ms McClusky is an experienced and respected media personality with a media career spanning almost 30 years in newspapers, radio and television across Australia.

Most recently Ms McClusky hosted a top rating current affairs program in South Australia for 13 years, until she left in 2008 to develop her boutique Public Relations consultancy, McClusky & Co Public Relations and Communications, which now services a wide variety of clients and is continuing to expand into a diverse range of portfolios.

Ms McClusky has amassed a huge range of experience across Sydney, Adelaide and Melbourne with Australian Associated Press, The Sun newspaper, the Weekly Times, ABC Television, and the Nine Network, presenting and hosting television and breakfast radio programs.

Other current directorships
Ms McClusky is currently a Board member of the Women's and Children's Hospital Foundation.

Interests in shares and options
2,456,668 ordinary shares in Maximus Resources Limited.

1,223,334 unlisted options in Maximus Resources Limited.

Ewan John Vickery

LLB

Non-executive Director.

Experience and expertise
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.

He is a 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).

Other current directorships
Mr Vickery is a non-executive director of Flinders Mines Limited (since 2001).

Mr Vickery is also a non-executive director of Tychean Resources Limited (formerly ERO Mining Limited) (Appointed May 2013).

Former directorships in last 3 years
Mr Vickery was a non-executive director of ASX listed company ERO Mining Limited from 2006 to 2011.

Special responsibilities
Chairman of the Audit Committee.

Interests in shares and options
16,070,001 ordinary shares in Maximus Resources Limited.

6,074,001 unlisted options in Maximus Resources Limited.

Nicholas John Smart

Alternate director for E J Vickery.

Experience and expertise
An alternate director since 9 May 2005, Mr Smart has held positions as a general manager in Australia and internationally. Previously a full Associate Member of the Sydney Futures Exchange and adviser with a national share broking firm, with over 25 years experience in the corporate arena including capital raising for private and listed companies. Other experience includes startup companies in technology development including commercialisation of the Synroc process for safe storage of high level nuclear waste, controlled temperature and atmosphere transport systems and the beneficiation of low rank coals. He is an alternate director for Maximus Resources Limited (since May 2005) and an alternate director for Flinders Mines Ltd (since 2009). Mr Smart currently consults to various public and private companies.

Interests in shares and options
Nil

Company Secretary

Rajita Shamani Alwis

B.Com(Acc & Fin), CA.

Experience and expertise
Ms Alwis has been the Company Secretary since 30 June 2011 to the date of this report. Ms Alwis has more than 10 years' experience in public practice and commerce and is a Company Secretary of numerous listed and proprietary companies. Ms Alwis also provides a Chief Financial Officer role to various public and private companies. Ms Alwis is a Chartered Accountant and holds a degree of Bachelor of Commerce (Accounting and Finance).

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended

30 June 2013, and the number of meetings attended by each director were:

	Full meetings of directors		Audit committee meetings	
	A	B	A	B
Robert Michael Kennedy	10	10	2	2
Kevin John Malaxos	10	10	-	-
Leigh Carol McClusky	10	10	-	-
Ewan John Vickery	10	10	2	2
Nicholas John Smart	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Indemnification and insurance of officers

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 of $18,750 to insure the directors and officers in respect of directors' and officers' liability and legal expenses insurance contracts.

Proceedings on behalf of company

No person has applied to the Court under section 237 of the *Corporations Act 2001* 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

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 or payable to the external auditors, its related practices or non-related audit firms during the year ended 30 June 2013.

Remuneration report – audited

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

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 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-listed 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 Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as 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 a long term 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 were formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement and may terminate this contract without notice in instances of serious misconduct.

B Voting and comments made at the company's 2012 Annual General Meeting

Maximus Resources Limited received more than 88% of 'yes' votes on its remuneration report for the 2012 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

C Details of remuneration

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.

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

Mr R M Kennedy	Chairman, non-executive
Mr K J Malaxos	Managing Director
Ms L C McClusky	Director, non-executive
Mr E J Vickery	Director, non-executive
Mr N J Smart	Alternate director for E J Vickery, non-executive

Key management personnel and other executives of the Company

2013

Name	Short term employee benefits	Short term employee benefits	Post employment benefits	Share-based payments	Share-based payments	
	Directors' fees	Salary	Superannuation	Options	Rights	Total
	$	$	$	$	$	$
Robert Michael Kennedy	82,661	-	7,439	-	-	90,100
Kevin John Malaxos^	-	252,293	22,706	-	7,500	282,499
Leigh Carol McClusky*	54,500	-	-	-	-	54,500
Ewan John Vickery	50,000	-	4,500	-	-	54,500
Nicholas John Smart	-	-	-	-	-	-
Total key management personnel compensation	187,161	252,293	34,645	-	7,500	481,599

* *Director fees for Ms McClusky were paid to McClusky and Co Pty Ltd, a related entity of the director.*

^ *During the year selected executives were granted incentive rights which have a three year vesting period and performance conditions. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the notional value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest. The fair value of the rights as at the date of their grant has been determined in accordance with the Employee Incentive Rights Plan as set out in note 31.*

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

Key management personnel and other executives of the Company

2012

Name	Short term employee benefits	Short term employee benefits	Post employment benefits	Share-based payments	Share-based payments	
	Directors' fees	Salary	Superannuation	Options	Rights	Total
	$	$	$	$	$	$
Robert Michael Kennedy	89,549	-	8,059	-	-	97,608
Kevin John Malaxos^	-	273,318	24,599	-	48,865	346,782
Leigh Carol McClusky*	54,467	-	-	-	-	54,467
Ewan John Vickery	54,167	-	4,875	-	-	59,042
Nicholas John Smart	-	-	-	-	-	-
Total key management personnel compensation	198,183	273,318	37,533	-	48,865	557,899

* *Director fees for Ms McClusky were paid to McClusky and Co Pty Ltd, a related entity of the director.*

^ *During the year selected executives were granted incentive rights which have a three year vesting period and performance conditions. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the notional value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest. The fair value of the rights as at the date of their grant has been determined in accordance with the Employee Incentive Rights Plan as set out in note 31.*

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

The relative proportions of remuneration that are fixed and those that are at risk are as follows:

2013

Name	Fixed remuneration	Fixed remuneration	At risk – STI*	At risk – STI*	At risk – LTI**	At risk – LTI**
	2013	2012	2013	2012	2013	2012
	%	%	%	%	%	%
Kevin John Malaxos	82	82	–	–	18	18

* *Short term incentives (STI) include cash incentive payments (bonuses) linked to company and/or individual performance.*

** *Long term incentives (LTI) include equity grants issued via the Company's Employee Share Option and Incentive Rights Plans. This plan is designed to provide long term incentives for executives to deliver long term shareholder returns.*

D Service agreements

The Board has negotiated a contract with Mr Malaxos with no fixed term at a salary of $275,000 per annum inclusive of superannuation guarantee contributions to be reviewed annually and with termination on three month's notice. Mr Malaxos was also granted a sign on bonus of the issue of 1,500,000 rights to acquire ordinary shares at no cost, expiring 14 December 2011 and 1,500,000 rights to acquire ordinary shares at no cost, expiring 14 December 2012. On 14 December 2011 and 14 December 2012 Mr Malaxos was granted on each date 1,500,000 ordinary shares as per the incentive rights. Messrs Kennedy and Vickery and Ms McClusky are engaged as directors without formal employment agreements.

E Share-based compensation

Incentive rights

The Company has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan.

Options granted as remuneration

Apart from the rights granted under the Company's Employee Incentive Rights Plan as detailed above, no other rights or 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 20 of the financial statements.

Shares under option

Unissued ordinary shares of Maximus Resources Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
26 April 2013	30 April 2015	$0.02	89,788,304
30 April 2013	30 April 2015	$0.02	6,296,334
4 February 2009	3 February 2014	$0.04	710,000
			96,794,638

Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16.

This report is signed and dated in Adelaide on this 30th day of September 2013 and made in accordance with a resolution of the directors.

Robert M Kennedy
Director

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.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 2013, 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

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

S J Gray
Partner

Adelaide, 30 September 2013

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Maximus Resources Limited is committed to improving and achieving good standards of corporate governance and has established corporate government policies and procedures, where appropriate and practicable, consistent with the revised Corporate Governance Principles and Recommendations – 2nd Edition 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 ASX Recommendations.

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 good 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.

In ensuring a good standard of ethical behaviour and accountability, 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 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 disclosed under the ASX Recommendations, including those that comply with good practice and which unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2013.

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 constitution was amended in December 2011 following shareholder approval at the 2011 Annual General Meeting.

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 them or a formal board charter that details their 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 an informal 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 followed

The composition of the Board consists of four directors, two of whom, are independent directors.

The Audit Committee currently consists of one independent director, Mr Vickery.

Recommendation 2.2 – Recommendation not followed

The Chairman, Mr Kennedy is currently not an independent director as he currently holds more than five per cent of the voting shares of the Company. Mr Kennedy's voting share increased above five per cent in April 2013. Prior to this Mr Kennedy held less than five per cent of the voting shares of the Company and was considered to be an independent director.

Recommendation 2.3 – Recommendation followed

The role of Chairman of the Board is separate from that of the Managing Director, 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 doing so. As such, the whole Board currently carries out this function. It is anticipated that a formal charter will be developed in the future, as the Company develops further.

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 ad hoc 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. A more formal process of Board assessment will be considered in the future as the Company develops.

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.

The non-executive directors, excluding Mr Kennedy, 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.

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 nominations 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 ad hoc basis and was done so during the year by the Chairman.

Principle 3: 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 good standards of behaviour, business ethics and 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 when that matter is considered by the Board and will not vote on that matter.

Recommendation 3.2 – Recommendation not followed

While the company embraces the concept of diversity, there is no formal diversity policy as the Board believes that given the size of the Company and the stage of the entity's life, the cost of establishing and managing a formal diversity policy cannot be justified.

The Company recognises that each employee brings their own unique capabilities, experiences and characteristics to their work and that the Company values such diversity at all levels of the Company in all that it does. The Company believes in treating people with respect and dignity. The Company strives to create a supportive and understanding environment in which all individuals realise their maximum potential within the Company, regardless of their differences. The Company is committed to employing the best people to do the best job.

Recommendation 3.3 – Recommendation not followed

While the Company does not have a formal diversity policy, the Company has a strong commitment to gender diversity. Female participation is reflected in the organisation.

Gender diversity will be a strategic focus for the Company in the coming years, particularly with the introduction of recommendations on gender diversity by the ASX Corporate Governance Council.

Recommendation 3.4 – Recommendation followed

For the annual period ending 30 June 2013, the Company provides the following information in relation to employees:

- Percentage of women employees in whole organisation: 0.00%
- Percentage of women in senior executive positions: 0.00%
- Percentage of women on the board: 25.00%

Recommendation 3.5 – Recommendation followed

While the Company does not have a formal diversity policy, it is diverse along many dimensions. Diversity at the Company refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference. The Company believes that the wide array of perspectives that results from such diversity promotes innovation and business success.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1 – Recommendation followed

The Company has established an Audit Committee to oversee corporate governance over internal controls, ethical standards, financial reporting, and external accounting and compliance procedures. Also, the Board as a whole addresses the governance aspects of the full scope of Maximus' activities to ensure that it adheres to appropriate ethical standards.

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 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 Board directors, Messrs Vickery & 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 doing so. 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 judgment.

Recommendation 4.3 – Recommendation followed

A formal Audit Committee Charter has been adopted, that details the functions and responsibilities of the Audit Committee.

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, CFO/ 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 followed

The Company has adopted a continuous disclosure policy and 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, *www.maximusresources.com/governance.html*.

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 ASX and Australian Securities and Investments Commission (ASIC) 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.

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, a summary describing how the Company will communicate with its shareholders is posted on the Company's website, *www.maximusresources.com/governance.html*.

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. A summary 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.html.*

Recommendation 7.3 – Recommendation followed

In accordance with ASX Recommendation 7.3 the Chief Executive Officer and Chief Financial Officer have provided assurances that the written declarations under s295A of the *Corporations Act 2001* 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 Chief Executive Officer 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 doing so.

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 – Recommendation not followed

The Board does not have a separate remuneration committee given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company.

Recommendation 8.3 – Recommendation followed

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 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 Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as 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 a long term 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.html.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	**Consolidated 30 June 2013 $**	Consolidated 30 June 2012 $
Other income	*5*	**21,647**	27,514
Administrative expenses	*6*	**(642,802)**	(1,044,454)
Marketing expenses	*6*	**(4,582)**	(13,555)
Finance costs		**-**	(1,617)
Exploration expenditure written off	*6*	**(9,748,503)**	(516,445)
(Loss) on sale of development assets	*13(b)*	**(384,512)**	-
(Loss) on sale of assets		**(8,723)**	-
Impairment of financial assets	*19(a)*	**(2,281,437)**	-
Impairment of development assets	*13(b)*	**-**	(23,358)
(Loss) before income tax		**(13,048,912)**	(1,571,915)
Income tax benefit/(expense)	*7*	**(607)**	160,967
(Loss) from continued operations		**(13,049,519)**	(1,410,948)
Loss from discontinued operation	*4*	**(30,527)**	(390,554)
Loss for the year		**(13,080,046)**	(1,801,502)
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets	*19(a)*	**44,607**	(892,642)
Other comprehensive income for the year (net of tax)		**44,607**	(892,642)
Total comprehensive income for the year		**(13,035,439)**	(2,694,144)
Profit / (loss) is attributable to:			
Maximus Resources Limited		**(13,080,046)**	(1,801,502)
Total comprehensive income for the year is attributable to:			
Maximus Resources Limited		**(13,035,439)**	(2,694,144)

		Cents	Cents
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	*30*	**(1.65)**	(0.27)
Diluted earnings per share	*30*	**(1.65)**	(0.27)
Earnings per share for (loss) from continuing and discontinued operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	*30*	**(1.66)**	(0.34)
Diluted earnings per share	*30*	**(1.66)**	(0.34)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	**Consolidated 30 June 2013 $**	Consolidated 30 June 2012 $
ASSETS			
Current assets			
Cash and cash equivalents	*8*	**265,845**	751,054
Trade and other receivables	*9*	**224**	8,714
Other current assets	*10*	**10,821**	99,294
Assets classified as held for sale	*13(b)*	**-**	350,000
Total current assets		**276,890**	1,209,062
Non-current assets			
Available-for-sale financial assets	*11*	**133,821**	178,429
Plant and equipment	*12*	**10,921**	475,839
Exploration and evaluation	*13(a)*	**5,974,807**	15,002,860
Total non-current assets		**6,119,549**	15,657,128
Total assets		**6,396,439**	16,866,190
LIABILITIES			
Current liabilities			
Trade and other payables	*14*	**83,572**	66,891
Provisions	*15*	**15,282**	14,194
Liabilities directly associated with assets classified as held for sale	*17*	**-**	33,845
Total current liabilities		**98,854**	114,930
Non-current liabilities			
Provisions	*16*	**6,209**	7,090
Total non-current liabilities		**6,209**	7,090
Total liabilities		**105,063**	122,020
Net assets		**6,291,376**	16,744,170
EQUITY			
Contributed equity	*18*	**35,394,765**	35,004,343
Reserves	*19*	**1,358,489**	(878,341)
Retained losses	*19(b)*	**(30,461,878)**	(17,381,832)
Total equity		**6,291,376**	16,744,170

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Consolidated	*Notes*	Contributed equity $	Reserves $	Retained losses $	Total equity $
Balance at 1 July 2011		**32,694,827**	**(34,563)**	**(15,580,330)**	**17,079,934**
Total comprehensive income for the year:					
Profit/(loss) for the year	*19*	-	-	(1,801,502)	(1,801,502)
Revaluation of financial assets	*19*	-	(892,642)	-	(892,642)
		-	**(892,642)**	**(1,801,502)**	**(2,694,144)**
Transactions with owners in their capacity as owners:					
Contributions of equity	*18*	2,357,431	-	-	2,357,431
Rights issued during the year	*19*	-	48,864	-	48,864
Transaction costs (net of tax)		(47,915)	-	-	(47,915)
		2,309,516	**48,864**	**-**	**2,358,380**
Balance at 30 June 2012		**35,004,343**	**(878,341)**	**(17,381,832)**	**16,744,170**
Balance at 1 July 2012		**35,004,343**	**(878,341)**	**(17,381,832)**	**16,744,170**
Total comprehensive income for the year:					
Profit/(loss) for the year	*19*	-	-	(13,080,046)	(13,080,046)
Revaluation of financial assets	*19*	-	2,236,830	-	2,236,830
		-	**2,236,830**	**(13,080,046)**	**(10,843,216)**
Transactions with owners in their capacity as owners:					
Contributions of equity	*18*	384,338	-	-	384,338
Rights issued during the year	*18*	7,500	-	-	7,500
Transaction costs (net of tax)		(1,416)	-	-	(1,416)
		390,422	**-**	**-**	**390,422**
Balance at 30 June 2013		**35,394,765**	**1,358,489**	**(30,461,878)**	**6,291,376**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Notes	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Cash flows from operating activities			
Receipts from customers		**-**	301,132
Payments to suppliers and employees		**(489,360)**	(1,622,264)
Interest received		**21,647**	34,248
Finance costs		**-**	(1,617)
Income tax received		**-**	199,967
Net cash used in operating activities	*29*	**(467,713)**	(1,088,534)
Cash flows from investing activities			
Payments for plant and equipment		**(8,723)**	(1,290)
Proceeds from sale of plant and equipment		**-**	16,538
Proceeds from sale of development assets		**491,913**	-
Repayment of loans by related parties		**-**	(40,000)
Payments for exploration and evaluation		**(872,177)**	(480,217)
Net cash used in investing activities		**(388,987)**	(504,969)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**384,338**	2,318,434
Payments of issue costs		**(2,023)**	(47,915)
Net cash provided by financing activities		**382,315**	2,270,519
Net (decrease) increase in cash and cash equivalents		**(485,209)**	677,016
Cash and cash equivalents at the beginning of the financial year		**751,054**	74,038
Cash and cash equivalents at the end of the financial year	*8*	**265,845**	751,054

This statement should be read in conjunction with the notes to the financial statements.

1 Summary of significant accounting policies

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

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Maximus Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

i) Compliance with IFRS

The consolidated financial statements of the Maximus Resources Limited company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

iii) Critical accounting estimates

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 Company.

b) Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Maximus Resources Limited (''Company" or ''Parent Entity") as at 30 June 2013 and the results of all subsidiaries for the year then ended. Maximus Resources Limited and its subsidiaries together are referred to in this financial report as the 'Consolidated Entity' or the 'Group'.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company (refer to note 1).

The Company applies a policy of treating transactions with minority interests as transactions with parties external to the Company. Disposals to minority interests result in gains and losses for the Company that are recorded in the consolidated statements of financial performance. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Company companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Maximus Resources Limited.

ii) Changes in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Maximus Resources Limited.

When the Company ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

d) Revenue recognition

i) Sale of goods

Revenue from sale of goods includes sales of refined gold production and internet sales of gold nuggets. Recognition is at point of sale of the product, when the risks and rewards of ownership are transferred.

ii) Interest income

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

e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

i) Joint ventures

i) Jointly controlled assets

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the joint ventures are set out in note 27.

ii) Joint venture entities

The Company's interests in joint ventures are accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of a joint venture is recognised in the consolidated statement of profit or loss and other comprehensive income, and the share of movements in reserves is recognised in reserves in the statement of financial position. Details relating to the joint venture entities are set out in note 27.

j) Investments and other financial assets

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Company's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Fair value
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

k) 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. 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 Company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income 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 Company commencing from the time the asset is held ready for use. The depreciation rates used for plant and equipment are from 12.5 to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 note 1(f).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Employee benefits

i) Short term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of each reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for annual leave. All other short term employee benefit obligations are presented as payables.

ii) Other long term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in non-current liabilities – provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Share-based payments

Share-based compensation benefits are provided to employees via the Maximus Resources Limited Employee Incentive Rights Plan and an employee share scheme. Information relating to these schemes is set out in note 32.

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 or Binomial pricing model. The cost is recognised as an expense in the statement of comprehensive income with a corresponding increase in the Share-based payments reserve or issued capital when the options, rights or shares are issued.

n) Earnings per share (EPS)

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

o) Exploration and evaluation expenditure

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 3: Business Combinations.

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

p) Development properties

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated with the cost of development and classified under non-current assets as ‘’development properties”.

A development property is reclassified as ‘’mine property” at the end of the commissioning phase, when the production reaches a previously determined capacity.

No amortisation is provided in respect of development properties until they are reclassified as ‘’mine properties”.

Development properties are tested for impairment in accordance with the policy in note 1(f).

q) Mine properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the Company in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the additional future economic benefits associated with the expenditure will flow to the Company. Otherwise such expenditure is classified as part of the cost of production.

Mine properties are tested for impairment in accordance with the policy in note 1(f).

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

s) Comparative figures

Comparative figures are adjusted to conform to Accounting Standards when required.

t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the Company reacquires its own equity instruments, for example as the result of a share buy back or a Share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Maximus Resources Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Maximus Resources Limited

u) Key estimates

The preparation of the financial statements requires management to make estimates and judgements. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company 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.

Exploration and Evaluation

The Company's policy for exploration and evaluation is discussed in Note 1(o). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

Share-based payments

The Group measures Share-based payments at fair value at the grant date using the Black Scholes or Binomial formula taking into account the terms and conditions upon which the instrument was granted, as discussed in note 31.

v) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company'sGroup's financial statements.

AASB 2010-8 Amendments to Australian Accounting Standard – Deferred Tax: Recovery of Underlying Assets (Applies to annual reporting periods beginning on or after 1 January 2012)

AASB 2010-8 provides clarification on the determination of deferred tax assets and deferred tax liabilities when investment properties are measured using the fair value model in AASB 140 Investment Properties. It introduces a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model where the objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

AASB 2010-8 also includes the requirement that the measurement of deferred tax assets and deferred tax liabilities on non-depreciable assets measured using the revaluation model in AASB 116 Property, Plant and Equipment should always be based on recovery through sale.

These amendments have had no impact on the Group.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012)

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income on the basis of whether they are potentially re-classifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in changes to the Group's presentation of its financial statements.

Accounting standards issued but not yet effective and not been adopted early by the Group

The Group notes the following Accounting Standards which have been issued but are not yet effective at 30 June 2013. These standards have not been adopted early by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015).

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).

- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  – The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
  – The remaining change is presented in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

ii) *AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)*

- AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

  The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

  When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

- AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.

  In addition, AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

  When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the joint arrangements in place relate to joint operations.

- AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

  Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

  When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements.

The Group is yet to undertake a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 January 2013.

iv) *Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

The AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

The Group does not have any defined benefit plans. Therefore, these amendments will have no impact on the Group.

v) *AASB Interpretation 20 Stripping Costs in the Production Phase of Surface Mining*

This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 Inventories, if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, (if certain recognition criteria are met, as an addition to, or enhancement of, an existing asset).

The Group does not operate a surface mine. Therefore, there will be no impact on the financial statements when this interpretation is first adopted for reporting periods commencing from 1 January 2013.

vi) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the Group.

vii) *AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

When this AASB 2012-2 is first adopted for the year ended 30 June 2014, there will be no impact on the Group as the Group does not have any netting arrangements in place.

viii) *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

ix) *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the Group given that they are largely of the nature of clarification of existing requirements.

x) *IFRIC Interpretation 21 Levies*

IFRIC 21 addressed how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements (in particular, when the entity should recognise a liability to pay a levy).

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. For example, if the activity that triggers the payment of the levy is the generation of revenue in the current period and the calculation of that levy is based on the revenue that was generated in a previous period, the obligating event for that levy is the generation of revenue in the current period. The generation of revenue in the previous period is necessary, but not sufficient, to create a present obligation.

When this interpretation is adopted for the first time on 1 January 2014, there will be no significant impact on the financial statements as the Group is not subject any levies addressed by this interpretation.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in close cooperation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, the use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to associated companies.

The Company holds the following financial instruments:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Financial assets		
Cash and cash equivalents	**265,845**	751,054
Trade and other receivables	**224**	8,714
Available-for-sale financial assets	**133,821**	178,429
	399,890	938,197
Financial liabilities		
Trade and other payables	**83,572**	66,891
	83,572	66,891

a) Market risk

i) Foreign exchange risk

Foreign exchange risk is the risk that financial loss will be suffered due to adverse movements in exchange rates. The Company is not exposed to foreign exchange risk.

ii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign exchange or interest rate risk). The Company is not exposed to any material price risk.

iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities. Interest rate risk is managed by the Company with the use of rolling short term deposits.

The Company has no long term financial liabilities upon which it pays interest.

As at the end of the reporting period, Maximus Resources Limited had the following variable rate cash and cash equivalent holdings:

	30 June 2013 Weighted average interest rate %	**30 June 2013 Balance $**	30 June 2012 Weighted average interest rate %	30 June 2012 Balance $
Cash and cash equivalents	4.38%	265,845	3.04%	751,054
Net exposure to cashflow interest rate		265,845		751,054

Interest rate sensitivity analysis

At 30 June 2013, 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:

		Interest rate risk			
Parent Entity		Increase 2%		Decrease 2%	
30 June 2013	Carrying $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	265,845	433	433	(433)	(433)
Total increase/ (decrease)	433	433	(433)	(433)	

		Interest rate risk			
Parent Entity		Increase 2%		Decrease 2%	
30 June 2012	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	751,054	685	685	(685)	(685)
Total increase/ (decrease)	685	685	(685)	(685)	

b) Credit risk

Credit risk is the risk of default by borrowers and transactional counterparties as well as the loss of value of assets due to deterioration in credit quality. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in settling its debts or otherwise meeting its obligations. The Company manages liquidity risk by monitoring cash flows and ensuring that adequate funds are available to meet cash demands. At the reporting date the Company held deposits at call of $35,000 (2012: $535,000) that are expected to readily generate cash inflows for managing liquidity risk.

d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7: Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012.

30 June 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Available-for-sale financial assets				
Tychean Resources Limited	133,821	-	-	133,821
	133,821	-	-	**133,821**

30 June 2012	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Available-for-sale financial assets				
Tychean Resources Limited	178,429	-	-	178,429
	178,429	-	-	**178,429**

3 Segment information

a) Description of segments

Identification of reportable segments
Management has determined the operating segments based on the reports reviewed and used by the Board of Directors (the chief operating decision makers) that are used to make strategic decisions. The Company is managed primarily on the basis of geographical area of interest, since the diversification of the Company operations inherently has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- external regulatory requirements
- geographical and geological styles

Mining
Further listed segmented assets for the Company including development costs and costs associated with the mining lease are reported on in this segment.

Accounting policies developed
Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

b) Business segments

2013	Sellheim $	Adelaide Hills Province $	Narndee $	Other $	Total $
Segment revenue	**-**	**-**	**-**	**-**	**-**
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	**(12,423,175)**	**-**	**-**	**-**	**(12,423,175)**
Cost of goods sold from discontinued operation	(30,527)	-	-	-	(30,527)
Impairment	-	(4,266,577)	(4,659,854)	(822,072)	(9,748,503)
Segment assets	**-**	**4,000,000**	**1,880,571**	**94,236**	**5,974,807**
Segment asset movements for the year:					
Capital expenditure	-	119,132	458,636	142,682	720,450
Capital expenditure impaired	-	(4,266,577)	(4,659,854)	(822,072)	(9,748,503)
Impairment of development asset	-	-	-	-	-
Movement in gold inventory	-	-	-	-	-
Total movement for the year	**-**	**(4,147,445)**	**(4,201,218)**	**(679,390)**	**(9,028,053)**
Total segment assets					5,974,807
Unallocated assets					421,632
Total assets					**6,396,439**
Total segment liabilities	-	-	-	-	-
Unallocated liabilities					105,063
Total liabilities					**105,063**

2012	Sellheim	Adelaide Hills Province	Narndee	Other	Total
	$	$	$	$	$
Segment revenue	**238,138**	**-**	**-**	**-**	**238,138**
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	**(565,301)**	**-**	**-**	**-**	**(565,301)**
Cost of goods sold from discontinued operation	(628,692)	-	-	-	(628,692
Impairment	(23,358)	-	-	(516,445)	(539,803)
Segment assets	**350,000**	**8,147,445**	**6,081,789**	**773,626**	**15,352,860**
Segment asset movements for the year:					
Capital expenditure	-	78,804	430,621	517,897	1,027,322
Capital expenditure impaired	-	-	-	(516,445)	(516,445)
Impairment of development asset	-	-	-	-	-
Movement in gold inventory	-	-	-	-	-
Total movement for the year	**-**	**78,804**	**430,621**	**1,452**	**510,877**
Total segment assets					15,352,860
Unallocated assets					1,513,330
Total assets					**16,866,190**
Total segment liabilities	33,845	-	-	-	33,845
Unallocated liabilities					88,175
Total liabilities					**122,020**

i) *Segment revenue*
Segment revenue reconciles to total revenue from continuing operations as follows:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Total segment revenue	**-**	238,138
Total revenue from discontinued operation (note 4)	**-**	238,138

ii) *Adjusted EBITDA*
A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Allocated:		
Adjusted EBITDA	**(12,423,175)**	(565,301)
Unallocated:		
Interest revenue	**21,647**	34,248
Other Income	**-**	18,764
Administrative expenses	**(642,802)**	(1,044,454)
Marketing expenses	**(4,582)**	(13,555)
Finance costs	**-**	(1,617)
Profit before income tax from continuing operations	**(13,048,912)**	(1,571,915)

iii) Segment assets

Reportable segments' assets are reconciled to total assets as follows:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Allocated:		
Segment assets	**5,974,807**	15,352,860
Unallocated:		
Cash and cash equivalents	**265,845**	751,054
Trade and other receivables	**224**	8,714
Other assets	**10,821**	99,294
Available-for-sale financial assets	**133,821**	178,429
Plant and equipment	**10,921**	475,839
Total assets as per the consolidated statements of financial position	**6,396,439**	16,866,190

iv) Segment liabilities

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Allocated:		
Allocated segment liabilities from discontinued operations	**-**	33,845
Unallocated:		
Trade and other payables	**83,572**	58,350
Provisions	**21,491**	29,825
Total liabilities as per the consolidated statements of financial position	**105,063**	122,020

4 Loss from discontinued operation

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Sales revenue		
Gold sales	**-**	238,138
Cost of goods sold		
Cost of gold extraction	**(30,527)**	(628,692)
Loss for the year	**(30,527)**	(390,554)

5 Other income

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Interest received	**21,647**	34,248
Gain/(loss) on sale of assets	**-**	(6,734)
	21,647	27,514

6 Expenses

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Administration		
Compliance	**130,853**	140,480
Depreciation	**32,474**	13,894
Administration costs	**171,957**	141,422
Employment costs	**253,830**	582,761
Legal fees	**3,688**	38,903
Other	**50,000**	126,994
	642,802	1,044,454
Marketing		
Marketing and promotion	**4,582**	13,555
	4,582	13,555
Exploration expenses		
General exploration expenditure written off	**12,967**	61,833
Capitalised exploration expenditure impaired	**9,735,536**	454,612
	9,748,503	516,445

7 Income tax expense

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
a) Income tax expense:		
Deferred tax	**607**	39,000
Research and development tax offset	**-**	(199,967)
	607	(160,967)
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(13,048,912)**	(1,571,915)
Tax at the Australian tax rate of 30% (2012: 30%)	**(3,914,674)**	(471,575)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Non-deductible items	**-**	-
Share placement issue costs	**2,024**	20,535
Temporary differences not brought to account	**3,912,043**	490,040
Research and development tax offset	**-**	(199,967)
Income tax expense	**607**	(160,967)

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria as outlined in Note 1(e) of the financial statements. A DTA has not been recognised in respect of tax losses either as realisation of the benefit is not regarded as probable.

The Company has unrecognised DTAs of $5,348,978 (2012: $5,348,371) that are available indefinitely for offset against future taxable profits.

The tax rates applicable to each potential tax benefit are as follows:

- timing differences – 30%
- tax losses – 30%

8 Current assets – Cash and cash equivalents

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Cash at bank and in hand	**230,845**	216,054
Term deposits	**35,000**	535,000
	265,845	751,054

a) Risk exposure
The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

b) Deposits at call
The deposits are bearing a weighted average interest rate of 4.38% (2012: 3.04%). The deposits have a period to repricing of 6 months (2012: 28 days).

9 Current assets – Trade and other receivables

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Net trade receivables		
Trade and other receivables	**-**	8,690
GST paid on purchases	**224**	24
	224	8,714

a) Past due but not impaired
As at 30 June 2013, there were no material trade and other receivables that were considered to be past due and impaired (2012: Nil).

10 Current assets – Other current assets

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Security deposit	**-**	98,841
Pre-paid insurance	**10,821**	453
	10,821	99,294

11 Non-current assets – Available-for-sale financial assets

a) Fair values
Available-for-sale financial assets include the following classes of financial assets:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Shares in listed companies	**133,821**	178,429
	133,821	178,429

b) Listed securities
Maximus Resources Limited holds 44,607,143 shares in Tychean Resources Limited (formerly ERO Mining Limited) (2012: 44,607,143). There are no fixed returns or fixed maturity dates attached to these investments. These shares are held as available-for-sale and their value is marked-to-market at financial year end.

12 Non-current assets – Plant and equipment

Consolidated	Plant and equipment $	Furniture, fittings and equipment $	Machinery and vehicles $	Computer equipment and software $	Total $
At 1 July 2012					
Cost or fair value	903,985	19,481	73,349	67,908	1,064,723
Accumulated depreciation	(464,691)	(10,779)	(45,593)	(67,821)	(588,884)
Net book amount	439,294	8,702	27,756	87	475,839
Year ended 30 June 2013					
Opening net book amount	439,294	8,702	27,756	87	475,839
Additions	-	-	-	2,950	2,950
Disposals	(406,101)	(2,465)	(16,521)	-	(425,087)
Depreciation charge	(29,369)	(1,385)	(11,235)	(792)	(42,781)
Closing net book amount	3,824	4,852	-	2,245	10,921
At 30 June 2013					
Cost or fair value	16,007	12,913	-	2,950	31,870
Accumulated depreciation	(12,183)	(8,061)	-	(705)	(20,949)
Net book amount	3,824	4,852	-	2,245	10,921

Consolidated	Plant and equipment $	Furniture, fittings and equipment $	Machinery and vehicles $	Computer equipment and software $	Total $
Year ended 30 June 2012					
Opening net book amount	551,797	9,948	74,763	579	637,087
Additions	-	1,290	-	-	1,290
Disposals	-	-	(35,772)	-	(35,772)
Depreciation charge	(112,503)	(2,536)	(11,235)	(492)	(126,766)
Closing net book amount	439,294	8,702	27,756	87	475,839
At 30 June 2012					
Cost or fair value	903,985	19,481	73,349	67,908	1,064,723
Accumulated depreciation	(464,691)	(10,779)	(45,593)	(67,821)	(588,884)
Net book amount	439,294	8,702	27,756	87	475,839

13 Non-current assets – Exploration and evaluation, development and mine properties

a) Exploration and evaluation

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Exploration and evaluation		
Movement:		
Opening balance	**15,002,860**	14,491,983
Expenditure incurred	**720,450**	1,027,322
Impairment of capitalised expenditure	**(9,748,503)**	(516,445)
Closing balance	**5,974,807**	15,002,860
Closing balance comprises:		
Exploration and evaluation – 100% owned	**5,974,807**	6,481,879
Exploration and evaluation phases – joint ventures	**-**	8,520,981
	5,974,807	15,002,860

b) Assets classified as held for sale

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Mine properties		
Movement:		
Opening balance	**350,000**	373,358
Disposals	**(350,000)**	
Impairment charge	**-**	(23,358)
Closing balance	**-**	350,000
Cost	**-**	1,342,982
Less: Accumulated amortisation	**-**	(992,982)
Closing balance	**-**	350,000
Transfer to asset held for sale	**-**	(350,000)
Loss on sale of assets held for sale	**(384,512)**	-

The company completed the sale of the Sellheim alluvial project to a private consortium for $400,000 on 4th September 2012.

14 Current liabilities – Trade and other payables

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Trade payables	**64,987**	47,075
Accrued expenses	**18,100**	18,500
Credit cards	**485**	1,316
	83,572	66,891

15 Current liabilities – Provisions

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Annual leave	**15,281**	14,194
	15,281	14,194

16 Non-current liabilities – Provisions

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Long service leave	**17,188**	7,090
	17,188	7,090

17 Liabilities associated with assets classified as held for sale

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Trade payables	**-**	11,008
Credit cards	**-**	833
Provisions	**-**	22,004
	-	33,845

Trade payables in Note 17 relate to trade creditors that are directly attributable to the Sellheim operation and were outstanding at 30 June 2012. The provisions relates to annual leave and long service leave of employees who were directly employed at the Sellheim operation. Liabilities were extinguished upon sale of Sellheim operation on 4 September 2012.

18 Contributed equity

	Consolidated 30 June 2013 Shares	Consolidated 30 June 2012 Shares	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
a) Share capital				
Ordinary shares				
Fully paid	869,376,363	771,791,725	35,394,765	35,004,343

b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$
1 July 2011	Opening balance	342,048,706		32,694,827
24 August 2011	Non-renounceable rights issue			
	– Proceeds received	39,854,605	$0.01	398,546
2 September 2011	Non-renounceable rights issue - underwriting			
	– Proceeds received	3,388,612	$0.01	33,886
14 December 2011	Incentive rights	1,500,000	-	-
6 February 2012	Non-renounceable rights issue			
	– Proceeds received	177,380,948	$0.005	886,905
13 February 2012	Non-renounceable rights issue – underwriting			
	– Proceeds received	10,818,853	$0.005	54,094
20 February 2012	Non-renounceable rights issue – shortfall			
	– Proceeds received	196,800,001	$0.005	984,000
				35,052,268
	Less: Transaction costs arising on share issues			(68,450)
	Deferred tax credit recognised directly in equity			20,535
30 June 2012	**Balance**	**771,791,725**		**35,004,343**
14 December 2012	Incentive rights	1,500,000	$0.005	7,500
26 April 2013	Non-renounceable rights issue			
	– Proceeds received	89,788,304	$0.004	359,153
30 April 2013	Non-renounceable rights issue - underwriting			
	– Proceeds received	6,296,334	$0.004	25,185
				35,396,181
	Less: Transaction costs arising on share issues			(2,023)
	Deferred tax credit recognised directly in equity			607
30 June 2013	**Balance**	**869,376,363**		**35,394,765**

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At shareholders' meetings, on a show of hands every holder of ordinary shares present in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

d) Options and rights

Information relating to the Maximus Resources Limited Employee Share Option and Incentive Rights Plans, including details of options and rights issued, exercised and lapsed during the financial year and the options/rights outstanding at the end of the financial year, is set out in note 31.

e) Capital risk management

The Company has no debt capital. There are no externally imposed capital requirements.

The Company's debt and capital includes ordinary share capital, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its 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 Company since the prior year. This strategy is to ensure that the Company has no debt.

19 Reserves and retained losses

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
a) Reserves		
Available-for-sale investments revaluation reserve	**(44,607)**	(2,281,436)
Share-based payments reserve	**1,403,096**	1,403,096
	1,358,489	878,341
Movements:		
Available-for-sale investments revaluation reserve		
Balance 1 July	**(2,281,436)**	(1,388,794)
Impairment	**2,236,829**	
Revaluation of financial assets (net of tax) (note 13)	**-**	(892,642)
Balance 30 June	**(44,607)**	(2,281,436)
Share-based payments reserve		
Balance 1 July	**1,403,096**	1,354,231
Incentive rights issued during the year	**-**	48,865
Balance 30 June	**1,403,096**	1,403,096
Retained Earnings		
Balance 1 July	**(17,381,832)**	(15,580,330)
Net loss for the year	**(13,080,046)**	(1,801,502)
Balance 30 June	**(30,461,878)**	(17,381,832)

b) Nature and purpose of reserves

i) Available-for-sale reserve

Changes in the fair value of instruments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in note 1(k) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

ii) Share-based payments reserve

The Share-based payments reserve records items recognised as expenses on valuation of employee options and rights and options issued to external parties in consideration for goods and services rendered.

20 Key management personnel disclosures

a) Directors

The following persons were directors of Maximus Resources Limited during the 2013 financial year:

i) Chairman – non-executive
R M Kennedy

ii) Executive directors
K J Malaxos, Managing Director (since 13 December 2010)

iii) Non-executive directors
L C McClusky

E J Vickery

N J Smart, Alternate director for E J Vickery

b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Name	Position	Employer
R S Alwis	Chief Financial Officer/ Company Secretary	AE Administrative Services Pty Ltd

c) Key management personnel compensation

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Short-term employee benefits	**439,454**	471,501
Post-employment benefits	**34,645**	37,533
Share-based payments	**7,500**	48,865
	481,599	557,899

Detailed remuneration disclosures are provided in sections A to D of the remuneration report on pages xx to xx.

d) Equity instrument disclosures relating to key management personnel

i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2013

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	18,000,000	18,000,000	18,000,000	-
K J Malaxos	-	-	-	7,000,000	7,000,000	7,000,000	-
L C McClusky	-	-	-	1,223,334	1,223,334	1,223,334	-
E J Vickery	-	-	-	6,072,001	6,072,001	6,072,001	-
N J Smart	-	-	-	-	-	-	-
R S Alwis	-	-	-	-	-	-	-

2012

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	-	-	-	-
K J Malaxos	-	-	-	-	-	-	-
L C McClusky	-	-	-	-	-	-	-
E J Vickery	-	-	-	-	-	-	-
N J Smart	-	-	-	-	-	-	-
R S Alwis	-	-	-	-	-	-	-

ii) Rights holdings

The numbers of rights to acquire ordinary shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2013

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	-	-	-	-
K J Malaxos	1,500,000	-	1,500,000	-	-	-	-
L C McClusky	-	-	-	-	-	-	-
E J Vickery	-	-	-	-	-	-	-
N J Smart	-	-	-	-	-	-	-

2012

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	-	-	-	-
K J Malaxos	3,000,000	-	1,500,000	-	1,500,000	-	1,500,000
L C McClusky	-	-	-	-	-	-	-
E J Vickery	-	-	-	-	-	-	-
N J Smart	-	-	-	-	-	-	-

iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2013

Name	Balance at the start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)	Balance at the end of the year
R M Kennedy	32,000,000	-	-	18,000,000	50,000,000
K J Malaxos	11,500,000	-	1,500,000	7,000,000	20,000,000
L C McClusky	1,233,334	-	-	1,223,334	2,456,668
E J Vickery	9,998,000	-	-	6,072,001	16,070,001
N J Smart	-	-	-	-	-
R S Alwis	-	-	-	-	-

2012

Name	Balance at the start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)	Balance at the end of the year
R M Kennedy	11,764,706	-	-	20,235,294	32,000,000
K J Malaxos	-	-	1,500,000	10,000,000	11,500,000
L C McClusky	250,000	-	-	983,334	1,233,334
E J Vickery	2,232,366	-	-	7,765,634	9,998,000
N J Smart	-	-	-	-	-
R S Alwis	-	-	-	-	-

21 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Grant Thornton		
Audit and review of financial reports	**27,500**	27,550
Total auditors' remuneration	**27,500**	27,550

22 Contingencies

Contingent liabilities

The Company had no known contingent liabilities as at 30 June 2013 (2012: Nil).

23 Commitments

a) Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company will be required to outlay in the year ending 30 June 2014 amounts of approximately $91,880 (2013: $2,029,170) in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

b) Lease commitments : Company as lessee

The State Government departments responsible for mineral resources require performance bonds for the purposes of rehabilitation of areas disturbed by exploration activities. At 30 June 2013, the Group had $35,000 of bank guarantees in place for this purpose (2012: $35,000).

24 Related party transactions

a) Key management personnel

Disclosures relating to key management personnel are set out in note 20.

b) Transactions with other related parties

The following transactions occurred with related parties:

- Administrative services were provided by AE Administrative Services Pty Ltd to the Company during the period 1 July 2012 to 30 June 2013 for $76,685 (2012:$73,643).
- Tychean Resources Limited (formerly ERO Mining Limited) for the termination of the Billa Kalina Farm-in and Joint Venture agreement $25,227 (2012 nil).
- Tychean Resources Limited (formerly ERO Mining Limited) reimbursed administrative expenses $24,946 (2012 nil).

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

25 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2013 %	Equity holding 2012 %
Maxiron Pty Ltd	Australia	Ordinary	**100**	100
MXR Metals Pty Ltd	Australia	Ordinary	**100**	100
MXR Minerals Pty Ltd	Australia	Ordinary	**100**	100

26 Cashflows from discontinued operations

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Cashflows from operating activities		
Receipts from customers	**-**	288,632
Payments to suppliers and employees	**(30,527)**	(606,824)
Net cash provided by/(used in) discontinued operations	**(30,527)**	(318,192)

27 Interests in joint ventures

Maximus Resources Limited has the following interests in unincorporated joint ventures:

State	Agreement name	Parties	Summary
WA	Corporate Group Agreement	MXR and Corporate Resource Consultants Pty Ltd, B Legendre and TE Johnston and Associates Pty Ltd	Corporate Group retains a 10% free carried interest in all or specified blocks within several exploration licences in the Narndee Project.
WA	Creasy Agreement	MXR and Nemex Pty Ltd and M G Creasy	Creasy retains a 30% free carried interest in prospecting licences 53/1308 to 53/1311 following MXR's purchase of 90% of Nemex's interest in the Ironstone Well Project.
WA	Orex Ironstone Well Deed of Assignment	MXR and Orex Mining Pty Ltd and Nemex Pty Ltd	MXR has sold a 90% interest in all minerals except iron in E53/1223 and a 90% interest in all minerals in the remaining Ironstone Well Project tenements for a future production royalty capped at $4 million.

28 Events occurring after the reporting period

Subsequent to balance date a binding sales agreement with Terramin Australia Limited ("Terramin") was signed for the sale of five of the Company's Adelaide hills tenements, including the Bird in Hand gold project near Woodside. The total consideration for the tenements is $3.5 million, 25 million Terramin fully paid ordinary (FPO) shares plus a 0.5% Royalty on future gold production in excess of 50,000 ounces with a gold price above A$1,000/oz. The consideration for the sale will be received in three stages contingent on certain terms and conditions being met. The Company is currently preparing the Sales Agreement for signing followed by submission to the Minister of mines of the tenement transfer documents which will meet the conditions of the first stage payment ($1.5 million plus 25 million Terramin shares).

Apart from the above, no matter or circumstance has occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

29 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
Profit/(loss) for the year	**(13,080,046)**	(1,801,502)
Depreciation	**32,474**	13,894
Amortisation	**-**	-
Non-cash employee benefits expense – Share-based payments	**-**	48,865
Impairment of capitalised exploration expenditure	**9,748,503**	516,445
Impairment of development assets	**-**	23,358
Impairment of financial assets	**2,281,437**	-
Net (gain)/loss on disposal of non-current assets	**393,236**	6,734
Tax effect on transaction costs	**2,023**	6,265
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**8,489**	95,727
Decrease/(increase) in inventories	**-**	-
Decrease/(increase) in other operating assets	**88,470**	23,163
(Decrease)/increase in trade and other payables	**88,039**	(34,125)
(Decrease)/increase in provisions	**(30,338)**	12,642
Net cash (outflow)/inflow from operating activities	**(467,713)**	(1,088,534)

30 Earnings per share

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	**(13,049,519)**	(1,410,948)
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	**789,647,386**	524,318,330
Basic earnings per share (cents)	**(1.37)**	(0.27)
b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	**(13,049,519)**	(1,410,948)
Weighted average number of options outstanding during the year used to calculate diluted earnings per share	**-**	-
Weighted average number of ordinary shares outstanding during the year used to calculate diluted earnings per share	**789,647,386**	524,318,330
Diluted earnings per share (cents)	**(1.37)**	(0.27)

	Consolidated 30 June 2013 $	Consolidated 30 June 2012 $
a) Basic earnings per share		
Loss from continuing and discontinued operations attributable to the ordinary equity holders of the company	**(13,080,046)**	(1,801,502)
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	**789,647,386**	524,318,330
Basic earnings per share (cents)	**(1.66)**	(0.34)
b) Diluted earnings per share		
Loss from continuing and discontinuing operations attributable to the ordinary equity holders of the company	**(13,080,046)**	(1,801,502)
Weighted average number of options outstanding during the year used to calculate diluted earnings per share	**-**	-
Weighted average number of ordinary shares outstanding during the year used to calculate diluted earnings per share	**789,647,386**	524,318,330
Diluted earnings per share (cents)	**(1.66)**	(0.34)

Options

Options granted to employees under the Maximus Resources Limited Employee Share Option Plan are considered to be potential ordinary shares. These have a dilutive effect on the weighted average number of ordinary shares. As the Company has reported a loss of $10,846,693 this financial year (2012: $4,082,940), the options have not been included in the determination of diluted earnings per share. Details relating to the options are set out in note 31.

31 Share-based payments

a) Employee Option Plan

The following options arrangements existed at 30 June 2013:

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. All options are un-listed and non-transferable. The options granted under the plan carry no voting or dividend rights.

On 4 February 2009 1,645,000 options were issued to employees under the Company's Employee Share Option Plan. The options are exercisable at 4 cents on or before 3 February 2014.

Set out below is a summary of the options granted under the plan:

2013	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,250,000	0.077
Granted	-	-
Exercised	-	-
Expired	(605,000)	-
Outstanding at the end of the year	1,645,000	0.04

2012	Number of options	Weighted average exercise price
Balance	5,630,000	0.307
Granted	-	-
Exercised	-	-
Expired	(3,380,000)	0.440
Outstanding at the end of the year	2,250,000	0.077

The options outstanding at 30 June 2013 had a weighted average exercise price of $0.04 (2012: $0.077) and a weighted average remaining contractual life of 8 months (2012: 17 months). Exercise price is $0.04 in respect of options outstanding at 30 June 2013.

Fair value of options granted

No employee options were granted during the year ended 30 June 2013 (2012: Nil). Therefore no calculation of the fair value of options granted during the year was required to be made using the Black Scholes option pricing model.

b) Employee Incentive Rights Plan

No incentive rights arrangements existed at 30 June 2013.

32 Going concern

The financial report has been prepared on the basis of going concern.

The cash flow projections of the company and consolidated entity evidence that the company will require positive cash flows from additional capital for continued operations.

The company incurred a loss of $13,080,046 (2012 $1,801,502) and operations were funded by cash used in operating and investing activities of $856,700.

The company and consolidated entity's ability to operate as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, the going concern basis may not be appropriate, with the result that the company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

33 Parent Entity

	Parent 30 June 2013 $	Parent 30 June 2012 $
Current assets	278,332	859,062
Non-current assets	6,119,549	16,007,128
Total assets	6,397,881	16,866,190
Current liabilities	98,854	100,406
Non-current liabilities	17,188	21,614
Total liabilities	116,042	122,020
Net assets	6,281,839	16,744,170
Shareholder's equity		
Contributed equity	35,387,268	35,004,343
Reserves	1,365,989	1,403,096
Retained losses	(30,471,418)	(19,663,269)
Capital and reserves attributable to owners	6,281,839	16,744,170

DIRECTORS' DECLARATION

30 June 2013

In the directors' opinion:

a) the consolidated financial statements and notes set out on pages 21 to 50 are in accordance with the *Corporations Act 2001*, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of their performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

c) the financial statements comply with International Financial Reporting Standards as confirmed in note 1(a).

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Robert M Kennedy
DIRECTOR

Adelaide

30 September 2013

GrantThornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
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 consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply 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. Those standards require us to 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.

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 considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company'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 opinion.

Independence
In conducting our audit, we have complied with the 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 consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards**Error! No document variable supplied.**and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern
Without qualifying our opinion, we draw attention to Note 32 in the financial report which indicates that the consolidated entity incurred a net loss of $13,080,046 during the year ended 30 June 2013 and cash used in operating and investing activities of $856,700. These conditions, along with other matters as set forth in Note 32, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 September 2013. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Maximus Resources Limited for the year ended 30 September 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants

S J Gray
Partner

Adelaide, 30 September 2013

ASX ADDITIONAL INFORMATION

30 June 2013

The shareholder information set out below was applicable as at 18 September 2013.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Shares	Options
1 - 1,000	132	10
1,001 - 5,000	221	32
5,001 - 10,000	246	17
10,001 - 100,000	891	150
100,001 and over	751	78
	2,241	287

There were 1,556 holders of less than a marketable parcel of ordinary shares. At a share price of $0.004, an unmarketable parcel is 125,000 shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest equity holders of quotes securities are listed below:

Rank	Name	Units	% of Units
1.	Mr Nicholas Baradakis	50,000,000	5.75
2.	Triple Eight Gold Pty Ltd	40,000,000	4.60
3.	Mr Kevin Michael Kelly	22,310,416	2.57
4.	Kenny Investments Pty Ltd	17,000,000	1.96
5.	Flinders Mines Limited	16,305,555	1.88
6.	Mr Darren Wares	15,850,000	1.82
7.	Colin John Hough	15,000,153	1.73
8.	Mrs Gwendoline Malaxos	12,000,000	1.38
9.	Rover Investments Pty Ltd	12,000,000	1.38
10.	Mr Darryn Anthony	10,500,000	1.21
11.	Itone Pty Ltd	10,000,000	1.15
12.	Kelly Bros Proprietary Limited	10,000,000	1.15
13.	RMK Super Pty Ltd	10,000,000	1.15
14.	Mr Brian Willcocks + Mrs Shona Willcocks	10,000,000	1.15
15.	Mr Wallace Frederick King + Mrs Janice Irene King	9,000,000	1.04
16.	Lawrence Crowe Consulting Pty Ltd	9,000,000	1.04
17.	Rolac Pty Ltd	9,000,000	1.04
18.	JP Morgan Nominees Australia Limited	8,914,692	1.03
19.	Yandal Investments Pty Ltd	8,611,161	0.99
20.	Tre Pty Ltd	8,539,584	0.98
Totals: Top 20 holders of Ordinary Fully Paid Shares (Total)		**304,031,561**	**34.97**
Total remaining holders balance		**565,344,802**	**65.03**

Unquoted securities

Unlisted options over ordinary shares

	Number on Issue	Number of holders
Options @ $0.04 expiring on 3 February 2014	710,000	10
Options @ $0.02 expiring on 30 April 2015	96,084,638	268

C Substantial holders

As at 18 September 2013 the following were substantial shareholders:

Shareholder	Number of Shares
Mr Nicholas Baradakis	50,000,000
Mr Robert Kennedy	50,000,000

D Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have once vote.

Options

No voting rights.