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16 June 2006

Dear Maximus Shareholder

Shareholder Approval for Uranium Spin-Off

This mailout contains material to enable you to make your decision on approval of the transaction relating to the formation of Eromanga Uranium Limited (ERO). The spin-off is designed to create additional benefits for Maximus shareholders through the efforts of a new focussed group of explorers on the Company's uranium properties in South Australia and the Northern Territory.

You may remember that on 25 January 2006, we announced acquisition of a large group of uranium exploration properties on the margin of the Eromanga Basin which would be held by the Company's subsidiary Eromanga Uranium Resources Pty Ltd (EURPL). This was followed on 24 May by news that Maximus had agreed to two joint Ventures with EURPL. These are on the Eromanga Basin where Maximus will hold 30% and at Billa Kalina where Maximus will hold 50%.

It was also proposed that EURPL will be sold to ERO for a consideration to Maximus of 44.4 million ERO vendor shares and 8.0 million options. The sale be conditional on ERO's successful IPO.

As part of the sale and IPO process it is necessary for Maximus Shareholders to approve the transaction and a General Meeting has been organised for 25 July for this purpose. Material explaining the details of the proposed transaction accompanies this letter. Upon approval by Maximus Shareholders, they will receive a priority offer in ERO's IPO.

The process is explained in three accompanying documents: a notice of meeting, an explanatory memorandum and an Independent Experts Report (IER) on the transaction. Additionally, we are proposing the adoption of an Employee Incentive Plan which is also described in the explanatory memorandum.

Please consider these documents and return your vote on the proxy form attached to arrive prior to 24 July so that your vote can be counted.

Yours sincerely

Mr Robert Kennedy
Chairman

MAXIMUS RESOURCES LIMITED
ACN 111 977 354

NOTICE OF GENERAL MEETING 2006

incorporating

EXPLANATORY MEMORANDUM

and

INDEPENDENT EXPERT'S REPORT

NOTICE IS HEREBY GIVEN that a General Meeting of **Maximus Resources Limited** ("**Company**") will be held at 140 Greenhill Road Unley, SA, on Tuesday, 25 July 2006 at 11.00 am (Adelaide time).

The explanatory memorandum which accompanies and forms part of this Notice of General Meeting describes the various matters to be considered at the meeting ("**Explanatory Memorandum**").

AGENDA

SPECIAL BUSINESS

At the meeting, the following resolutions will be considered and, if thought fit, passed as ordinary resolutions:

Resolution 1 – Approval of Proposed Spin-Off

"*That, for the purposes of Listing Rule 10.1 of the Listing Rules of the Australian Stock Exchange Limited ("**ASX**") and for all other purposes, approval be given for the Company to, pursuant to the Proposed Spin-Off described in the Explanatory Memorandum, dispose of:*

1. *an equity interest in its rights to explore for non-diamond minerals referred to in section 3.2.3 of the Explanatory Memorandum in accordance with the farm-in and joint venture agreement dated 23 May 2006 between the Company, Eromanga Uranium Resources Pty Ltd ("**EUR**") and Flinders Diamonds Limited;*

2. *an equity interest in the tenements listed in section 3.3.2 of the Explanatory Memorandum in accordance with the farm-in and joint venture agreement dated 23 May 2006 between the Company and EUR; and*

3. *the whole of the issued capital of EUR to Eromanga Uranium Limited ("**Eromanga**") in accordance with the share sale agreement dated 14 June 2006 between the Company and Eromanga*."

Resolution 2 – Approval for Sale of Shares in Eromanga Uranium Resources Pty Ltd to Eromanga Uranium Limited

"That, for the purposes of Listing Rule 11.4 of the Listing Rules of the ASX and for all other purposes, approval be given for the Company to sell the whole of the issued capital of EUR to Eromanga in accordance with the share sale agreement dated 14 June 2006 between the Company and Eromanga and otherwise on the terms and conditions set out in the

Explanatory Memorandum."

Resolution 3 – Adoption of Employee Incentive Plan

*"That, for the purposes of Listing Rule 7.2, Exception 9 of the Listing Rules of the ASX, approval be given for the Company to establish a plan to be called the "Maximus Resources Limited Employee Share Option Plan" ("**Plan**") to be constituted and administered in accordance with the Rules of the Plan which are summarised in the attached Explanatory Memorandum."*

VOTING EXCLUSION STATEMENT

In accordance with the Listing Rules of the ASX, the Company will disregard any votes cast:

1. on Resolution 1, by or on behalf of:

   1.1 EUR and any associate of EUR; and

   1.2 Eromanga and any associate of Eromanga;

2. on Resolution 2 by or on behalf of Eromanga and any associate of Eromanga; and

3. on Resolution 3 by or on behalf of a director of the Company who is eligible to participate in the Plan and any associate of a director of the Company who is eligible to participate in the Plan.

However, the Company will not disregard a vote if:

1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

2. it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

1. A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.

2. If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Without this specification, each proxy will need to exercise half the votes.

3. A proxy need not be a shareholder of the Company.

4. To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the *Corporations Act 2001* (Cth).

5. The Proxy form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Level 5, 115 Grenfell Street, Adelaide SA 5000 or at the Company's registered office, 20 Boskenna Avenue, NORWOOD, SA 5067, or by facsimile to Computershare on 61 8 8236

2305 or to the Company on 61 8 8362 5966 not later than 48 hours before the commencement of the meeting.

6. Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

VOTING ENTITLEMENTS

For the purpose of the *Corporations Act 2001* (Cth), the Company has determined that all securities of the Company that are quoted securities on the ASX as at close of business on 21 July 2006 will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the General Meeting.

CORPORATE REPRESENTATIVES

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the Constitution of the Company. Attorneys are requested to bring a copy of the Power of Attorney pursuant to which they are appointed. Proof of identity will also be required for corporate representatives and attorneys.

By order of the Board

Richard W C Willson
Company Secretary

16th June 2006

MAXIMUS RESOURCES LIMITED

ACN 111 977 354

EXPLANATORY MEMORANDUM

1. Introduction

1.1 This Explanatory Memorandum has been prepared to assist shareholders with their consideration of the resolutions proposed for a General Meeting of the Company to be held on Tuesday 25 July 2006 at 140 Greenhill Road, Unley, South Australia commencing at 11.00 am (Adelaide time). It should be read in conjunction with the accompanying Notice of General Meeting.

1.2 Terms used herein shall, unless the context otherwise permits or requires, have the meanings ascribed to them in the Notice of General Meeting.

RESOLUTIONS 1 AND 2

2. Overview of Proposed Spin-Off

2.1 Resolutions 1 and 2 set out in the Notice of General Meeting relate to the proposed spin-off ("**Proposed Spin-Off**") of some of the Company's uranium assets into Eromanga, a new dedicated uranium exploration company.

2.2 Eromanga intends to make an initial public offering of ordinary shares ("**IPO**"). A prospectus for the IPO will be made available when the shares are offered ("**Prospectus**") and anyone wishing to acquire the shares will need to complete the application form that will be in or will accompany the Prospectus.

2.3 The purpose of the meeting is to seek shareholder approval for the Proposed Spin-Off. As such, the completion of the Proposed Spin-Off is dependent upon the passing of both Resolutions 1 and 2 and the successful completion of the IPO.

2.4 The key elements of the Proposed Spin-Off are:

2.4.1 the establishment of farm-in and joint venture arrangements between the Company and the Company's wholly-owned subsidiary, EUR; and

2.4.2 the acquisition by Eromanga from the Company of all the issued capital in EUR in exchange for the issue of shares and options in Eromanga to the Company contemporaneously with the issue of shares to applicants under the Prospectus pursuant to the IPO.

2.5 The sole asset of EUR is its rights under the farm-in and joint venture agreements with the Company, the terms of which are described in section 3 of this Explanatory Memorandum.

2.6 In effect, following the successful completion of the IPO, Eromanga will, via EUR, have the right to explore for, mine and process uranium and other minerals on the joint venture tenements and the Company will hold

approximately 30% of Eromanga's issued share capital. It is also proposed that the shareholders in the Company will have a priority right to take up shares offered under the Prospectus.

2.7 The directors of the Company currently hold relevant interests in Eromanga as follows:

2.7.1 Robert Kennedy – 3,500,001 shares and 3,500,000 options to acquire shares;

2.7.2 Kevin Wills – 3,500,000 shares and 3,500,000 options to acquire shares;

2.7.3 Ewan Vickery – 3,500,001 shares and 3,500,000 options to acquire shares; and

2.7.4 Gary Maddocks – 2,675,000 shares and 2,675,000 options to acquire shares.

2.8 The Company's reasons for the Proposed Spin-Off are as follows:

2.8.1 to create additional benefit for the Company's shareholders;

2.8.2 to bring a new focused group into exploring the Company's uranium interests activities in South Australia and Northern Territory; and

2.8.3 to spread the risk by farming out the Company's uranium exploration projects and maintain expenditure levels on potentially rewarding opportunities.

3. **Farm-In and Joint Venture Agreements**

3.1 As part of the Proposed Spin-Off, the Company has entered into two farm-in and joint venture agreements with EUR in relation to:

3.1.1 the Billa Kalina Project; and

3.1.2 the Eromanga Basin Initiative.

3.2 **Billa Kalina Project – Farm-In and Joint Venture**

3.2.1 The Billa Kalina Project is positioned at the centre of the Stuart Shelf uranium-copper-gold province, host to the world class Olympic Dam Mine, and the Prominent Hill and Carrapateena discoveries.

3.2.2 The Billa Kalina Project lies approximately 70 kilometres to the north-northwest of the Olympic Dam uranium – copper – gold mining operations of BHP Billiton and some 45 kilometres east of the more recently discovered Prominent Hill copper – gold deposit of Oxiana Minerals Limited.

3.2.3 This project consists of five largely contiguous tenements in which, by agreement between the Company and Flinders Diamonds Limited ("**Flinders**") dated 29 July 2005, the Company has the

right to explore for all non-diamond minerals ("**Non-Diamond Mineral Rights**"). Specifically, the Billa Kalina Project relates to the Non-Diamond Mineral Rights in respect of the following granted South Australian tenements:

EL 3525
EL 3526
EL 3170
EL 3337
EL 3338

3.2.4 The Company has entered into a farm-in and joint venture agreement with EUR and Flinders dated 23 May 2006 ("**Billa Kalina JV Agreement**").

3.2.5 Pursuant to the Billa Kalina JV Agreement, EUR has the right to explore for all non-diamond minerals and can secure a 50% equity interest in the Non-Diamond Mineral Rights by sole funding the initial $3 million of exploration expense within a six year period, after which the Company and EUR will form a joint venture to explore and develop the Non-Diamond Mineral Rights.

3.2.6 The Billa Kalina JV Agreement contains standard terms and conditions governing the rights and obligations of the Company and EUR as joint venturers including provisions appointing EUR to act as manager and operator of the joint venture and provisions relating to the dilution of interests.

3.3 **Eromanga Basin Initiative – Farm-In and Joint Venture**

3.3.1 The Eromanga Basin Initiative comprises the following four project areas:

(a) The Marree Project:

- Located 40 kilometres east of the township of Marree, South Australia.
- Four exploration licence applications covering 3,927 km².
- Tenements covering positioned at the contact between the Eromanga Basin and the uranium enriched Mount Painter Block, host to known hard rock uranium deposits.
- Over 100 kilometres of Eromanga Basin margin available for exploration,
- Multiple targets with potential for sandstone hosted uranium mineralisation.

(b) The Kingoonya Project:

- Located mid-way between the townships of Glendambo and Coober Pedy, South Australia.
- Five exploration licence applications covering 4,060 km².
- Tenements in two discrete blocks proximal to the contact between the Eromanga Basin and underlying Gawler Craton with potential for sandstone hosted uranium deposits in the Algebuckina Sandstone.
- Also targeting unconformity-related, high grade, uranium mineralisation in uplifted block at base of the Mesoproterozoic Pandurra Formation.
- Potential for Tertiary uranium deposits in the upper reaches of the Kingoonya palaeodrainage, host to known uranium mineralisation.

(c) The Abminga Project:

- Located in a linear belt from Marla, South Australia to 50 kilometres north of South Australian-Northern Territory border.
- Seven exploration licence applications covering 6,966 km².
- A contiguous block positioned over the contact between the Eromanga Basin and the uranium enriched Musgrave Block. Over 230 kilometres of basin margin to explore.
- Targeting sandstone hosted uranium deposits in Mesozoic palaeodrainages along the basin margin.

(d) The Illogwa Project:

- Located approximately 200 kilometres east of Alice Springs, Northern Territory.
- Two exploration licence applications covering 1,333 km².
- Tenements positioned at the contract between the Eromanga Basin and the eastern margin of the late Proterozoic Arunta Province.
- Targeting sandstone hosted uranium mineralisation along shallow basin margin.

3.3.2 The tenements which are the subject of the Eromanga Basin Initiative ("**JV Tenements**") are as follows:

South Australia	ELA 15/06
South Australia	ELA 16/06
South Australia	ELA 17/06
South Australia	ELA 18/06
South Australia	ELA 19/06
South Australia	ELA 20/06
South Australia	ELA 21/06
South Australia	ELA 22/06
South Australia	ELA 23/06
South Australia	ELA 26/06
South Australia	ELA 27/06
South Australia	ELA 28/06
South Australia	ELA 29/06
South Australia	ELA 30/06
Northern Territory	EL 25161
Northern Territory	EL 25162
Northern Territory	EL 25163
Northern Territory	EL 25166

3.3.3 The Company has entered into a farm-in and joint venture agreement with EUR dated 23 May 2006 ("**Eromanga Basin JV Agreement**").

3.3.4 Pursuant to the Eromanga Basin JV Agreement, EUR has been granted the right to explore for all minerals and can secure a 70% equity interest in the JV Tenements by sole funding the initial $7 million of exploration expense within a six year period, after which the Company and EUR will form a joint venture to explore and develop the JV Tenements. The sole funding commitment applies to the aggregate of all expenditures on the Marree, Kingoonya, Abminga and Illogwa Projects.

3.3.5 The Eromanga Basin JV Agreement contains standard terms and conditions governing the rights and obligations of the Company and EUR as joint venturers including provisions appointing EUR to

act as manager and operator of the joint venture and provisions relating to the dilution of interests.

4. **Share Sale Agreement**

4.1 As part of the Proposed Spin-Off, the Company has entered into a share sale agreement with Eromanga dated 14 June 2006 ("**Share Sale Agreement**") pursuant to which the Company has agreed to transfer to Eromanga 100% of the issued shares in EUR ("**Share Transfer**").

4.2 In consideration for the Share Transfer, Eromanga will issue to the Company, 44,357,143 fully paid ordinary shares and 8,035,174 options to acquire shares in the capital of Eromanga ("**Eromanga Securities**").

4.3 The Eromanga Securities are to be issued contemporaneously with the issue of shares to applicants under the Prospectus to be lodged with the Australian Securities and Investments Commission ("**ASIC**") by Eromanga. A copy of the Prospectus will be made available to the Company's shareholders as soon as possible subsequently after lodgement with ASIC.

4.4 The Share Sale Agreement is conditional upon:

4.4.1 the execution of the Billa Kalina JV Agreement and the Eromanga Basin JV Agreement; and

4.4.2 the successful completion of the IPO.

4.5 Upon completion of the Share Transfer, EUR will become the wholly-owned subsidiary of Eromanga. Accordingly, Eromanga will, via EUR, have the right to exercise the Non-Diamond Mineral Rights under the Billa Kalina JV Agreement and the right of access to the JV Tenements under the Eromanga Basin JV Agreement. In turn, the Company will hold a substantial equity interest in Eromanga.

5. **Shareholder Approvals**

5.1 **Chapter 10 of the ASX Listing Rules – Resolution 1**

5.1.1 Subject to certain exceptions, ASX Listing Rule 10.1 requires the approval of shareholders for transactions involving the acquisition or disposal of "substantial assets" which take place between entities, where there exists between those entities certain defined relationships or a relationship that, in the opinion of the ASX, requires a transaction to be approved by shareholders. A "substantial asset" for the purpose of Listing Rule 10.1 is one where the consideration paid for it or its value (or its value in the opinion of the ASX) exceeds 5% or more of the equity interests as set out in the latest accounts of the Company given to the ASX under the Listing Rules.

5.1.2 Resolution 1 relates to the disposal of:

(a) the 50% equity interest in the Non-Diamond Mineral Rights by the Company through the farm-in and joint venture arrangement with EUR under the Billa Kalina JV Agreement;

(b) the 70% equity interest in the JV Tenements by the Company through the farm-in and joint venture arrangement with EUR under the Eromanga Basin JV Agreement; and

(c) the whole of the issued capital of EUR to Eromanga under the Share Sale Agreement.

5.1.3 For the purposes of ASX Listing Rule 10.1, these disposals are subject to shareholder approval because:

(a) the Non-Diamond Mineral Rights, the JV Tenements and the shares held in EUR ("**MXR Assets**") are considered "substantial assets" of the Company; and

(b) the disposals of the MXR Assets in the context of the Proposed Spin-Off are considered to be transactions to which ASX Listing Rule 10.1 may apply.

5.1.4 Accordingly, approval is sought from shareholders for the purpose of Listing Rule 10.1 for the disposals outlined in Resolution 1 in the Notice of General Meeting and this Explanatory Memorandum.

5.2 **Chapter 11 of the ASX Listing Rules – Resolution 2**

5.2.1 ASX Listing Rule 11.4 requires the approval of shareholders for transactions involving the disposal of a "major asset" if the person acquiring the asset intends to issue or offer securities with a view to becoming listed. ASX Guidance Note 13 contains guidelines which indicate the circumstances where the ASX is likely to regard an asset as a major asset. Having regard to those guidelines the Company believes that the sale of its shares in EUR to Eromanga as part of the Proposed Spin-Off constitutes the disposal of a "major asset" for the purposes of ASX Listing Rule 11.4.

5.2.2 Accordingly, approval is sought from shareholders for the purpose of the sale of the whole of the issued capital of EUR by the Company to Eromanga outlined in Resolution 2 in the Notice of General Meeting and this Explanatory Memorandum.

6. **Independent Expert's Report**

6.1 When a company is required to seek approval pursuant to ASX Listing Rule 10.1, ASX Listing Rule 10.10 requires that the Notice of Meeting must be accompanied by a report on the transaction from an independent expert stating whether the transaction is fair and reasonable to holders of the Company's ordinary securities whose votes are not to be disregarded ("**Non-Associated Shareholders**").

6.2 In accordance with ASX Listing Rule 10.10, and in addition to the information provided to shareholders in the Notice of Meeting and this Explanatory Memorandum, the Company has commissioned a report by DMR Corporate Pty Ltd which is attached. This report provides a detailed examination of the Proposed Spin-Off and is for the purpose of assisting Non-Associated Shareholders' consideration and assessment of the merits

of the Proposed Spin-Off and the making of their decision whether to vote in favour of the Resolutions.

6.3 In summary, DMR Corporate Pty Ltd has stated in the Independent Expert's Report that, in its opinion, the transactions underlying the Proposed Spin-Off are fair and reasonable to the Non-Associated Shareholders of the Company.

7. **Directors' Recommendation**

7.1 Your Directors urge you to read the Notice of Meeting (incorporating and including this Explanatory Memorandum) and the Independent Expert's Report of DMR Corporate Pty Ltd in its entirety before forming a view as to the vote you will cast.

7.2 Each of the independent directors of the Company (Mr Richard Willson as alternate for Mr Wills and Mr Nicholas Smart as alternate for Mr Vickery) ("**the Independent Directors**") were available to consider the putting of Resolutions 1 and 2 to shareholders.

7.3 Each of the Independent Directors recommends the passing of Resolutions 1 and 2 as, in their opinion, the Proposed Spin-Off creates significant benefits for the Company.

7.4 To the best of the Directors' knowledge, all matters which are material and necessary for shareholders to make an informed decision on Resolutions 1 and 2 have been provided to shareholders in this Explanatory Memorandum and in the Independent Expert's Report.

RESOLUTION 3

8. **Introduction**

8.1 The directors have resolved to introduce an employee share option plan to be called the "Maximus Resources Limited Employee Share Option Plan" ("**Plan**").

8.2 The objective of the Plan is to provide employees and contractors of the Company ("**Participants**") and any subsidiaries of the Company with the opportunity to participate in the equity of the Company so as to provide an incentive for Participants to achieve a greater success and profitability for the Company and to maximise the long term performance of the Company. The Plan is designed to reward participants for past performance and also to provide an incentive for future performance.

8.3 For these reasons, the directors believe that the implementation of the Plan will enhance shareholder value and recommend that shareholders vote in favour of the Plan.

9. **Shareholder Approval**

Approval of the issue of securities under the Plan is sought pursuant to ASX Listing Rule 7.2, Exception 9. This Listing Rule provides that securities issued pursuant to an employee incentive scheme are an exception to ASX Listing Rule 7.1, provided the issue of securities under the scheme has been approved by shareholders within the three previous years. ASX Listing Rule 7.1 provides generally that a company

may not issue securities equal to more than 15% of the capital of the company's issued share capital in any 12 months without obtaining shareholder approval unless the issue fits one of the exceptions. Accordingly, shareholder approval will result in all securities issued under the Plan being excluded from the restrictions in ASX Listing Rule 7.1 for three years from the date of approval. This approval will give the Company maximum flexibility for raising capital going forward.

10. **Summary of terms of the Plan**

The terms of the Plan are set out in the rules of the Plan ("**Rules**") which are available from the registered office of the Company. The main features of the Plan are summarised below.

10.1 **Structure of the Plan**

The Plan allows the Company's board of directors ("**Board**") to make offers of options to full time and part time employees and contractors of the Company ("**Eligible Persons**"). The Board may offer any number of options in its discretion to any Eligible Person the Board determines.

10.2 **Terms of options**

10.2.1 All options have a term of five years and will expire at 5 pm Adelaide time on the day of the fifth anniversary of their date of issue ("**Exercise Period**").

10.2.2 Each option is a right to subscribe for one fully paid share in the Company. When issued the share will rank equally with other ordinary shares of the Company.

10.2.3 Options may not be transferred and quotation of options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of shares issued on the exercise of options.

10.3 **Restrictions on issue**

The total number of options which may be issued under the Plan is limited under the Rules. The Board may not issue options if the number of options on issue (that have neither been exercised nor lapsed) exceeds 5% of the total number of issued ordinary shares of the Company from time to time.

10.4 **Exercise Price**

10.4.1 The options will be issued free at grant and the Board shall, at its discretion, determine the exercise price of each option, however, no option shall be offered at an exercise price of less than the market value of a share.

10.4.2 The market value of a share is the weighted average sale price of the Company's shares traded on the ASX over the period of five trading days prior to the date of grant of the option or if there were no transactions in the shares on the ASX during that five day period, the last sale price at which an offer was made on the ASX during that five day period.

10.5 **Exercise of options**

Subject to the Rules and the terms of an option, an option may be exercised at any time during the Exercise Period. Options may be exercised immediately if takeover offers are made for shares under a takeover bid or a scheme of arrangement in accordance with the *Corporations Act 2001* (Cth).

10.6 **Participation in future issues and capital reconstruction**

10.6.1 Optionholders will be precluded from participating in any rights issues, bonus issues or other equity raisings without first exercising their options.

10.6.2 If any reconstruction of the issued capital of the Company takes place (including any consolidation or division of shares or reduction or return of capital) the rights of optionholders will be reconstructed in accordance with the Listing Rules of the ASX.

D M R CORPORATE

DMR

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Australia

INDEPENDENT EXPERT'S REPORT and FINANCIAL SERVICES GUIDE

PART 1 – INDEPENDENT EXPERT'S REPORT

8 June 2006

The Directors
Maximus Resources Limited
20 Boskenna Avenue
Norwood SA 5067

Dear Sirs

1. Introduction

You have requested DMR Corporate Pty Ltd ("DMR Corporate") to prepare an independent expert's report so as to comply with Rule 10.1 of the Listing Rules ("Listing Rule 10.1") of the Australian Stock Exchange Limited ("ASX") in respect of the following Proposed Transaction. The Proposed Transaction is permitted by the ASX Listing Rules, provided the transaction is agreed to by shareholders.

If the Proposed Transaction described in Section 2 is approved by shareholders, Maximus Resources Limited ("Maximus" or "the Company") will significantly reduce its interest in certain exploration assets.

2. The Proposed Transaction

2.1 Background to the Proposed Transaction

Maximus incorporated a new wholly owned subsidiary Eromanga Uranium Resources Pty Ltd ("EURPL") on 23 January 2006 and on 23 May 2006 Maximus entered into two Farm-in and Joint Venture Agreements with EURPL. These two agreements are referred to as the Eromanga Basin Agreement and the Billa Kalina Agreement in the balance of this report.

Pursuant to the Eromanga Basin Agreement EURPL has agreed to expend $7 million on exploration of the four projects that together comprise the Eromanga Sedimentary Uranium Project. The exploration expenditure is to be incurred over a six year period and will result in EURPL earning a 70% interest in the 18 exploration licence applications that are the subject of the Eromanga Basin Agreement. The four projects that together comprise the Eromanga Sedimentary Uranium Project are referred to as the Marree Project, Abminga Project, Kingoonya Project and Illogwa Project.

Pursuant to the Billa Kalina Agreement EURPL has agreed to expend $3 million on exploration of the 5 exploration licences that together comprise the Billa Kalina Project. The exploration expenditure is to be incurred over a six year period and will result in EURPL earning a 50% interest in any minerals other than diamonds ("the Non Diamond Mineral Rights"). The 5 exploration licences together with the right to explore for diamonds are held by Flinders Diamonds Limited ("Flinders").

The Eromanga Basin Agreement and the Billa Kalina Agreement are more fully described in Section 7.

2.2 The Proposed Transaction

Maximus is seeking shareholder approval for the following Proposed Transaction:

> The sale of all of the issued capital in EURPL to Eromanga Uranium Limited ("Eromanga").

The sales consideration comprises 44,357,143 Eromanga shares and 8,035,714 options to acquire Eromanga shares at an exercise price of $0.30 per share exercisable on or before 30 June 2011.

The Proposed Transaction is subject to Eromanga raising not less than $10 million and its shares being accepted for quotation by the ASX.

Following completion of the Proposed Transaction EURPL, which has entered into the Eromanga Basin and Billa Kalina Agreements with Maximus, will become a subsidiary of Eromanga.

Mr. Robert Michael Kennedy, Dr. Kevin John Anson Wills and Mr. Ewan John Vickery, who are all Directors of Maximus, are also Directors of Eromanga ("the Common Directors").

The above transaction involves the disposal of an asset by Maximus to Eromanga, and due to the presence of the Common Directors, Eromanga is a related entity of Maximus. Listing Rule 10.1 may apply to the transaction should the ASX consider EURPL to be a substantial asset of Maximus.

The directors have requested DMR Corporate to independently assess whether the Proposed Transaction is fair and reasonable to the non-associated shareholders.

2.3 Effect of the Proposed Transaction on Maximus

If shareholders approve the Proposed Transaction, Maximus will retain the following exploration projects:

Yandal

The Yandal project area is situated near Wiluna and comprises of two tenement packages. Maximus' tenements in this project area include 5 zones of known gold mineralisation. A program of approximately 1,000 meters of RC drilling in 11 holes commenced in late April 2006.

Adelaide Hills Project

Maximus holds a 100% interest in all metalliferous minerals in six Exploration Licences (Els) in the Adelaide Hills area, north of Adelaide. Together with Flinders, Maximus holds a 51% equity stake in the seventh licence (Exploration Licence 3215 which contains the Bird in Hand Gold Mine) through the Lobethal joint venture with Indo Mines Limited (formerly AKD Limited) and Statelink Holdings Pty Ltd.

Woolanga, Northern Territory

Maximus holds 5 exploration licences in the Woolanga tenement package that includes numerous copper occurrences. Field activities for the area are scheduled for the June and September quarters and will include electrical geophysical surveys, RC drilling and infill soil and rock chip sampling.

Narndee JV Project

The project is located in Western Australia and covers some 3,000 square kilometres of the Narndee and Windimurra mafic complexes containing gold and nickel prospects. Maximus is anticipating the grant of several exploration licences covering calcrete palaeochannels known to contain uranium mineralisation prior to 30 June 2006. Further tests of the near surface environments for uranium mineralisation of the Yeelirrie type is expected to commence in the September quarter. The Company has also recently completed long awaited Aboriginal Heritage clearances for several areas of interest within the project tenure.

Maximus will also retain a residual 30% interest in the Eromanga Sedimentary Uranium Project pursuant to the Eromanga Basin Agreement and a 50% interest in the Billa Kalina Project pursuant to the Billa Kalina Agreement.

3. Summary Opinion

In our opinion the Proposed Transaction described in Section 2 of this report **is fair and reasonable** when considered in the context of the interests of the non-associated shareholders of Maximus.

Our principal reasons for reaching the above opinion are:

(a) We concluded that the value of the consideration offered by Eromanga is $9,560,000 and we concluded that the value of EURPL is less than $7 million. As the value of EURPL is less than the value of the Eromanga shares and options to be received by Maximus, we consider that the Proposed Transaction is fair to the non-associated shareholders.

(b) The Proposed Transaction is considered to be reasonable as the advantages of proceeding with the transaction outweigh both the disadvantages of proceeding with the transaction and the advantages and disadvantages of not proceeding with the transaction.

(c) After considering all of the information available to us in respect of the transaction, **we consider that the Proposed Transaction is fair and reasonable to the non-associated shareholders.**

4. Structure of this Report

The remainder of Part 1 of this report is divided into the following sections:

Section		Page
5	Purpose of the Report	4
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7	EURPL – Key Information	7
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9	Assessment as to Fairness and Reasonableness	12
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A	Sources of Information	16
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C-2	Description of the Billa Kalina Project	25
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5. Purpose of the Report

This report has been prepared to meet the following regulatory requirements:

- **ASX - Listing Rule 10.1**

  Listing Rule 10.1 requires that a company obtain shareholder approval at a general meeting when the sale or acquisition of a substantial asset is to be made to or from:

  (i) a related party;

  (ii) a subsidiary;

  (iii) a substantial shareholder who is entitled to at least 10% of the voting securities, or a person who was a substantial shareholder entitled to at least 10% of the voting securities at any time in the 6 months before the transaction;

  (iv) an associate of a person referred to in paragraphs (i), (ii) or (iii) above;

  (v) a person whose relationship to the entity or a person referred to above is such that, in the ASX's opinion, the transaction should be approved by security holders.

  Listing Rule 10.2 defines a substantial asset as being an asset whose value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX under the listing rules.

  As the Common Directors are associated with Eromanga, the purchaser of EURPL, Listing Rule 10.1 will apply to the Proposed Transaction detailed in Section 2.

  The notice of any meeting of shareholders to approve any transaction referred to in Listing Rule 10.1 shall be accompanied by a report from an independent qualified person who shall state his opinion as to whether the transaction is fair and reasonable to the shareholders, other than those whose votes are to be disregarded.

- **General**

The terms fair and reasonable are not defined either in the Act or the ASX Listing Rules so we have defined them for the purpose of this report as:

Fairness - the Proposed Transaction in Section 2 above is fair if the value of EURPL is equal to or less than the value of the Eromanga shares and options to be received by Maximus.

Reasonableness - the Proposed Transaction may be reasonable whether it is fair or unfair as the assessment involves consideration of other significant factors that shareholders might consider prior to voting on the resolution.

What is fair and reasonable for non-associated shareholders should be judged in all the circumstances of the proposal.

The methodology that we have used to form an opinion as to whether the Proposed Transaction is fair and reasonable, is summarised as:

(i) In determining whether the Proposed Transaction in Section 2 is fair, we have:

- valued EURPL;
- valued the Eromanga shares and options to be received by Maximus; and
- compared the value of EURPL with the value of the Eromanga shares and options to be received by Maximus.

(ii) In determining whether the Proposed Transaction is reasonable, we have analysed and compared the advantages and disadvantages of the Proposed Transaction proceeding and not proceeding.

(iii) In determining whether the Proposed Transaction is fair and reasonable to the non-associated shareholders, we have considered and concluded upon the results of (i) and (ii) above.

6. Valuation of the Consideration

The consideration that Maximus will receive from Eromanga for all of the issued capital of EURPL will comprise of 44,357,143 Eromanga shares and 8,035,714 options to acquire Eromanga shares at an exercise price of $0.30 per share.

6.1 Background to Eromanga

Eromanga was incorporated on 29 March 2006 and has not yet commenced trading. Since incorporation Eromanga has raised $559,000 in seed capital and on 2 May 2006 Eromanga issued an Information Memorandum, which sets out its plan to acquire EURPL from Maximus, raise a minimum of $10 million (and a maximum of $20 million) pursuant to a prospectus and to list its shares on the ASX.

The Proposed Transaction is conditional upon Eromanga successfully raising at least $10 million and achieving ASX listing.

Assuming the Maximus' shareholders approve the Proposed Transaction and Eromanga satisfies the pre-conditions referred to in the preceding paragraph, the capital structure of Eromanga on listing will be:

Shares

	Minimum Subscription		Maximum Subscription	
	Number of Shares	Percentage Holding	Number of Shares	Percentage Holding
Directors and Promoters	17,500,003	16.2	17,500,003	11.8
Seed Capital	6,000,000	5.6	6,000,000	4.1
Maximus	44,357,143	41.1	44,357,143	30.0
Public	40,000,000	37.1	80,000,000	54.1
Total	107,857,146	100.0	147,857,146	100.0

Options

	Minimum Subscription		Maximum Subscription	
	Number of Options	Percentage Holding	Number of Options	Percentage Holding
Directors and Promoters	18,750,000	70.0	18,750,000	70.0
Maximus	8,035,714	30.0	8,035,714	30.0
Total	26,785,714	100.0	26,785,714	100.0

Eromanga has not yet produced any historical financial statements nor has it formalised a pro-forma balance sheet upon listing, which will be included in its prospectus when issued.

6.2 Value of 44,357,143 Eromanga Shares and 8,035,714 Options

We have considered all of the valuation methodologies detailed in Section 8 below and, having regard to the current stage of development of Eromanga and the fact that the Proposed Transaction is conditional on Eromanga achieving ASX listing, we have concluded that the share price history is the most appropriate valuation methodology to value the Eromanga shares and options.

6.2.1 Value of 44,357,143 Eromanga Shares

It is not possible to predict the market value of Eromanga shares after listing, however a minimum of $10 million will be raised from the public who, immediately prior to listing, paid in cash the subscription price of $0.25 per share.

We believe that the subscription price of $0.25 per share provides the best evidence for the value of Eromanga shares and consequently we have valued the 44,357,143 Eromanga shares, before consideration of the effect of escrow provisions, at $11,089,286 (44,357,143 x $0.25).

We understand that the shares to be issued to Maximus will be subject to a two-year escrow period by the ASX. In our opinion this restriction on transferability means that the shares to be received by Maximus will be of lesser value than the shares subscribed for pursuant to the Eromanga prospectus. Shares in unlisted companies generally trade at a discount of 25% to 30% to listed shares due to their reduced marketability, however this marketability restriction is indefinite, whereas the escrow restriction is for a fixed period of two years and consequently a lower discount is appropriate.

In our opinion a discount in the range of 15% to 20% is necessary to reflect the restricted marketability of the shares to be received by Maximus. We have valued the Eromanga shares at $8,871,429 ($11,089,286 x (1 - 0.2)), say $8,870,000.

6.2.2 Value of 8,035,714 Eromanga Options

We have assessed the value of the options to be received by Maximus by use of the Black-Scholes option valuation model. This model determines the value of a call option over issued shares as a function of five key variables. The five variables are:

1) the current share price of the underlying shares
2) exercise price of the option
3) volatility of the share price
4) time to maturity
5) interest rate

We have adopted the prospectus price of $0.25 per share as the current share price. The exercise price of the options is $0.30. Volatility is generally based on the historical volatility of the share price of the company that issued the options. In the present case there is no evidence of the historical volatility of Eromanga's share price and consequently we have selected a volatility of 50% and 60% as inputs into the option valuation model. This range of volatility was selected by reference to the volatility of other exploration companies, including Flinders. The time to maturity is 5 years (30 June 2011) and the risk free rate is 5.70%, being the current yield on treasury bonds maturing on 15 June 2011.

Using the above inputs we have assessed the value of one option to be in the range of $0.113 to $0.131. As Maximus is to receive 8,035,714 options, we have valued the options in a range of $911,027 to $1,051,400.

The options will also be subject to a two-year escrow period and whilst they will be transferable after the conclusion of the escrow period, the options will be unlisted and will therefore be less marketable than the shares. We have concluded that the options should be discounted by 30% for lack of marketability and we have therefore valued the options in a range of $637,719 to $735,980, say $690,000.

6.2.3 Conclusion

In Section 6.2.1 we concluded that the Eromanga shares to be received by Maximus, after allowing for the effects of the escrow provisions, have a value of $8,870,000. This valuation was based on the price of $0.25 per share payable pursuant to the Eromanga information memorandum. In Section 6.2.2 above we concluded that the value of the options to be received by Maximus, after allowing for the effects of the escrow provisions and lack of marketability of the options is $690,000.

In our opinion the value of the 44,357,143 Eromanga shares and 8,035,714 Eromanga options to be received by Maximus is $9,560,000.

7. EURPL - Key Information

7.1 Background

On 26 January 2006 Maximus caused EURPL to be incorporated as a wholly owned subsidiary of Maximus and on 24 May 2006 Maximus announced that it has signed an agreement to sell EURPL to Eromanga. Immediately prior to agreeing to sell EURPL to Eromanga, Maximus entered into the Eromanga Basin and Billa Kalina Agreements with EURPL.

EURPL was incorporated with a paid up capital of $1.00 and, with the exception of entering into the Eromanga Basin and Billa Kalina Agreements, it has not traded or transacted any other business since its incorporation. This means that in effect EURPL's only asset is the benefit of the Eromanga Basin and Billa Kalina Agreements. In the balance of this section we describe the two agreements in greater detail.

7.2 Eromanga Basin Agreement

The Eromanga Basin Agreement requires EURPL to expend $7 million on exploration of the four projects that together comprise the Eromanga Sedimentary Uranium Project. The exploration expenditure is to be incurred over a six year period and will result in EURPL earning a 70% interest in the 18 exploration licence applications that are the subject of the Eromanga Basin Agreement.

The four projects that comprise the Eromanga Sedimentary Uranium Project and the exploration properties involved in each project are:

Project	Tenement	Area Km^2	Annual Statutory Expenditure Commitment $
Marree	ELA 15/06	984	125,000
	ELA 16/06	1,000	130,000
	ELA 17/06	962	125,000
	ELA 18/06	963	125,000
Abminga	ELA 19/06	988	125,000
	ELA 20/06	903	125,000
	ELA 21/06	959	125,000
	ELA 22/06	963	125,000
	ELA 23/06	966	125,000
	EL 25163	1,143	50,000
	EL 25166	1,005	40,000
Kingoonya	ELA 26/06	973	125,000
	ELA 27/06	859	115,000
	ELA 28/06	667	95,000
	ELA 29/06	980	125,000
	ELA 30/06	581	85,000
Illogwa	EL 25161	1,117	45,000
	EL 25162	216	20,000

EURPL has committed to spend in year one of the Eromanga Basin Agreement not less than $1 million on exploration or the minimum annual statutory expenditure, whichever is higher. The minimum expenditure in year two is $1.5 million and the total commitment by EURPL is to expend at least $7 million on exploration over six years.

Once EURPL has expended $7 million on exploration activities, it is entitled to enter into a joint venture arrangement with Maximus. EURPL will have a 70% interest in the joint venture and Maximus will hold the remaining 30% interest. EURPL and Maximus will retain their respective interest in the joint venture so long as they agree to fund their proportional share of any further expenditure, otherwise their share will be adjusted in accordance with an agreed formula.

EURPL may withdraw from the Eromanga Basin Agreement but only after expending the year one commitment, which is at least $1 million. Should EURPL withdraw from the Eromanga Basin Agreement it must deliver to Maximus all technical information in respect of the tenements that are subject to the Eromanga Basin Agreement.

A detailed description of the four projects comprising the Eromanga Basin Agreement is set out in Appendix C-1 on pages 18 to 24 of this report.

7.3 Billa Kalina Agreement

The Billa Kalina Agreement covers the Non Diamond Mineral Rights acquired previously by Maximus from Flinders. The agreement requires EURPL to expend $3 million on exploration for minerals other than diamonds in the area covered by the five exploration licences that together comprise the Billa Kalina Project. The exploration expenditure is to be incurred over a six year period and will result in EURPL earning a 50% interest in the Billa Kalina Project.

The exploration properties involved in the Billa Kalina Project are:

Tenement	Area Km^2	Annual Statutory Expenditure Commitment $
EL 3525	771	210,000
EL 3526	734	200,000
EL 3170	1,435	240,000
EL 3337	373	65,000
EL 3338	771	105,000
	4,084	820,000

EURPL has committed to spend in each of the first two years of the Billa Kalina Agreement not less than $0.8 million on exploration or the minimum annual statutory expenditure, whichever is higher. The minimum total commitment by EURPL is to expend at least $3 million on exploration over six years.

Once EURPL has expended $3 million on exploration activities, it is entitled to enter into a joint venture arrangement with Maximus. Each party will have a 50% interest in the joint venture. EURPL and Maximus will retain their respective interest in the joint venture so long as they agree to fund their proportional share of any further expenditure, otherwise their share will be adjusted in accordance with an agreed formula.

EURPL may withdraw from the Billa Kalina Agreement but only after expending the year one commitment, which is at least $0.8 million. Should EURPL withdraw from the Billa Kalina Agreement it must deliver to Maximus all technical information in respect of the tenements that are subject to the Billa Kalina Agreement.

A detailed description of the Billa Kalina Project is set out in Appendix C-2 on page 25 of this report.

7.4 Financial Performance

As EURPL has not traded to date, it has not been generating any revenue from exploitation of the tenements and there is no relevant financial performance.

8. Valuation of EURPL

8.1 Net Assets

The net asset or net tangible asset methodology refers to the carrying value of the assets as reflected in the company's accounting records. As accounting records generally reflect the value of assets at the lower of their cost or their net realisable value, the methodology usually does not reflect the value of the underlying business.

Whilst EURPL is the beneficiary of the Eromanga Basin and Billa Kalina Agreements, its only tangible asset is cash at bank which reflects its issued capital of $1.00. The Eromanga Basin and Billa Kalina Agreements commit EURPL to a substantial level of expenditure, however it can only meet this commitment if Eromanga agrees to fund its operations.

Due to the fact that EURPL has not recognised any value of the Eromanga Basin and Billa Kalina Agreements in its accounting records, we have concluded that the net asset backing methodology is not an appropriate methodology to value EURPL.

8.2 Earnings Valuation

Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits. There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

EURPL has to date not generated any revenue from the Eromanga Basin and Billa Kalina Agreements and there is no prospect of generating any revenue unless EURPL firstly expends considerable resources on mineral exploration. Consequently we consider that the capitalisation of maintainable earnings is not an appropriate methodology to use to value EURPL.

8.3 Alternate Acquirer

The value that an alternative offeror may be prepared to pay to acquire EURPL is a relevant valuation methodology to be considered.

As EURPL's only assets are its rights pursuant to the Eromanga Basin and Billa Kalina Agreements, the value that an alternative offeror may be prepared to pay to acquire EURPL's rights pursuant to each of these agreements is another approach to applying this methodology.

In the course of preparing a previous report for the shareholders of Flinders in October 2005 we obtained from Flinders documentation detailing the approaches received for the Non Diamond Mineral Rights, which Maximus acquired from Flinders and which are now subject to the Billa Kalina Agreement. A review of this documentation revealed that the interest in the Non Diamond Mineral Rights covering the Billa Kalina Project never progressed beyond the discussion stage.

Maximus has only recently applied for the various tenements described in the table at 7.2 above and has made no attempts to sell the rights to the tenements that comprise the Eromanga Sedimentary Uranium Project.

We have concluded that there are no alternative offers for EURPL and we can see no reason as to why an alternate offer would be initiated prior to the Proposed Transaction taking place.

8.4 Orderly Realisation

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets or business segments on the basis of an assumed orderly realisation.

EURPL has a right to explore for all minerals over 18 separate exploration properties and a right to explore for non-diamond minerals over a further 5 exploration properties. These rights are limited by the provisions of the Eromanga Basin and Billa Kalina Agreements.

We have considered the proceeds that Maximus could generate from an outright sale of the rights to the exploration properties covered by the Eromanga Basin and Billa Kalina Agreements in an orderly realisation process.

We are aware that Oxiana Limited ("Oxiana") and Minotaur Exploration Limited ("Minotaur") recently floated Toro Energy Limited ("Toro") on the ASX. Toro raised $18 million pursuant to a prospectus. Oxiana and Minotaur received each a 24.74% interest in Toro in return for making available to Toro the right to explore for uranium on tenements that cover a total of approximately 26,000 km2 located in South Australia. The transaction was structurally similar to the Proposed Transaction, except that Oxiana and Minotaur did not retain a residual right to form a joint venture with Toro. We have reviewed the prospectus issued by Toro and note that some of its exploration areas are in close proximity to the tenements that are included in the Proposed Transaction and contain geology that is described in similar terms by the respective Independent Consulting Geologists.

Oxiana and Minotaur received between them Toro shares valued at $18 million based on the issue price. In return Toro gained the right to explore for uranium over an area of approximately 26,000 km2. We considered comparing the relative value received by Oxiana and Minotaur per square kilometre of exploration ground with that to be received by Maximus pursuant to the Proposed Transaction, however we concluded that such a comparison is not valid and could be misleading. Our reasons for this view are that the exploration ground, whilst similar, cannot be directly compared. Furthermore Oxiana is a large and successful mining company and the perceived access to its corporate resources would be reflected in the value of Toro.

We have reviewed a number of transactions involving farm-in arrangements or the outright sale and purchase of exploration licences. This review revealed that the sums involved can vary widely, depending on the prospectivity of the area covered by the exploration licence and by the quantity and quality of geological data possessed by the vendor. The unique nature of each exploration opportunity means that past transactions only provide a very general and imprecise guide as to a possible range of values.

We consider that the orderly realisation valuation methodology is not an appropriate methodology to use in valuing the Non-diamond Mineral Rights.

8.5 Net Present Value of Future Cash Flows

An analysis of the net present value of the projected cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.

As no known commercial mineral deposits have been discovered in the areas covered by the tenements that are included in the Eromanga Basin and Billa Kalina Agreements, we consider that the capitalisation of future cash flows is not an appropriate methodology to use to value EURPL.

8.6 Share Price History

This methodology derives the value of an asset by analysing past arms length prices at which the shares in the company that holds the asset have changed hands.

EURPL was only incorporated in January 2006 and there have been no transactions in its shares. However all of the assets held by EURPL were previously wholly owned by Maximus and therefore we have considered whether the Maximus share price could be used to extrapolate a value of EURPL, albeit an imprecise proxy.

Maximus has currently 64,977,921 shares on issue and its shares have traded in the past 90 days at a volume weighted average price of $0.185 per share (the 30 day volume weighted average share price is $0.183). This means that Maximus has a market capitalisation of approximately $12 million. Maximus reported in its 31 March 2006 quarterly report that it had cash on hand of $4.95 million so this means that the market has placed a value of approximately $7 million on its tenements.

Maximus is retaining its current interest in the Yandal, Adelaide Hills, Narndee, and Woolanga projects. It is also retaining a 30% interest in the Eromanga Sedimentary Uranium Project via the Eromanga Basin Agreement and a 50% interest in the Billa Kalina Project via the Billa Kalina Agreement.

Whilst the Maximus share price does not allow us to place a value on EURPL, we can say that the market has placed a value of $7 million on all of the tenements held by Maximus and as EURPL has an interest in only a portion of the tenements previously held by Maximus, its value is less than $7 million.

8.7 Conclusion

We have considered a number of generally recognised valuation methodologies in an attempt to value EURPL. Given the unique nature of each tenement no market evidence exists that would indicate the arms length value of the exploration rights held by EURPL.

After considering the results of the various valuation methodologies, we have concluded that the most useful methodology is a valuation by reference to the share price history of Maximus. Based on this methodology the market value of all of the tenements previously held by Maximus was approximately $7 million and consequently the market value of the rights that are being sold via the sale of EURPL is less than $7 million.

9. Assessment as to Fairness and Reasonableness

9.1 Assessment as to Fairness

In Section 6.2.3 we concluded that the value of the consideration offered by Eromanga is $9,560,000 and in Section 8.7 above we concluded that the value of EURPL is less than $7 million. As the value of EURPL is less than the value of the Eromanga shares and options to be received by Maximus, we consider that the Proposed Transaction is fair to the non-associated shareholders.

9.2 Assessment as to Reasonableness

9.2.1 Transactions Proceeding

Advantages

- Maximus will gain Eromanga shares and options that we have valued at $9,560,000. The shares and options will be able to be sold as and when required, subject only to the escrow provisions imposed by the ASX. The proceeds from any disposal of the shares and options will be available for use in exploration of the remaining tenements held by Maximus, including the Adelaide Hills Project where Maximus has reported encouraging exploration results.

- The Proposed Transaction will increase the net assets of Maximus. Set out in Appendix B is Maximus' balance sheet at 31 December 2005. The column headed "Pro-forma" shows Maximus' financial position on the assumption that the Proposed Transaction took place as at 31 December 2005.

- EURPL has agreed to meet the minimum statutory exploration expenditures for the next two years in respect of the Eromanga Sedimentary Uranium and the Billa Kalina Projects. This will enable Maximus to retain an interest in these exploration areas without the need to expend its own cash resources.

- Maximus will hold no less than 30% of the issued capital of Eromanga at the point of listing and this, together with the residual interests pursuant to the Eromanga Basin and Billa Kalina Agreements will provide an exposure to the shareholders of Maximus to any uranium discoveries that EURPL may make.

- A condition of the Proposed Transaction is that Eromanga is listed on the ASX. Eromanga has indicated that it will make a priority offer to the shareholders of Maximus pursuant to the prospectus that it plans to issue. This means that Maximus' shareholders will be given an opportunity to retain a significant direct exposure to the Eromanga Sedimentary Uranium and the Billa Kalina Projects.

Disadvantages

- Maximus will only benefit from any uranium deposits that may be discovered within the project areas by Eromanga to the extent of its then shareholding in Eromanga and its residual interest pursuant to the Eromanga Basin and Billa Kalina Agreements.

9.2.2 Transactions Not Proceeding

Advantages

- We can see no advantages with the transaction not proceeding.

Disadvantages

- Maximus will be required to meet the minimum statutory exploration expenditures in respect of all tenements within the Eromanga Sedimentary Uranium Project and the Billa Kalina Project. This will dissipate its cash resources and may result in a need to raise additional capital, which in turn may dilute the interest of the existing shareholders in Maximus.

- Shareholders may miss the advantages, which are detailed in Section 9.2.1 above.

9.3 Conclusion

After considering all of the information available to us in respect of this transaction, we consider that the Proposed Transaction is fair and reasonable to the non-associated shareholders.

10. Declarations, Qualifications, Independence and Consents

10.1 Declarations

This report has been prepared at the request of the Directors of Maximus pursuant to Rule 10.1 of the ASX Listing Rules to accompany the notice of meeting of shareholders to approve the Proposed Transaction. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards, nor do they constitute a review in accordance with AUS 902 applicable to review engagements.

10.2 Qualifications

DMR Corporate is the holder of an Australian Financial Services Licence Number 222050 issued pursuant to Section 913B of the Act.

Mr Paul Lom and Mr Derek M Ryan, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Chartered Accountant and a Registered Company Auditor with more than 30 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

Mr Ryan has had over 35 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

10.3 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Paul Lom has any interest in the outcome of the proposed transaction, nor any relationship with Maximus, Eromanga, the Common Directors or any of their associates.

Advance drafts of certain factual sections of this report were provided to and discussed with the Managing Director of Maximus. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions, which have been formed by DMR Corporate.

DMR Corporate is entitled to receive a fee of approximately $19,000 for the preparation of this report based on time expended at usual professional rates. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

10.4 Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

Yours faithfully

DMR Corporate Pty Ltd
Paul Lom
Director and Authorised Representative

Appendix A

Sources of Information

In the course of preparation of this report, we have had regard to the following information:

- the Explanatory Memorandum which this report accompanies;
- the reviewed financial statements of Maximus for the period ended 31 December 2005;
- Eromanga information memorandum dated 2 May 2006;
- Maximus' announcements to the ASX since 1 January 2006;
- the Billa Kalina Farm In and Joint Venture Agreement dated 23 May 2006;
- the Eromanga Basin Farm In and Joint Venture Agreement dated 23 May 2006;
- draft Share Sale Agreement between Maximus and Eromanga;
- Independent Consulting Geologist's Report prepared by D.W. Otterman Exploration Consultant dated 7 June 2006;
- draft legal report on tenements prepared by DMAW Lawyers; and
- discussions with the Managing Director of Maximus.

Appendix B

Maximus Resources Limited

Balance Sheet

	Reviewed 31/12/05 $	Notes	Pro-forma 31/12/05 $
CURRENT ASSETS			
Cash assets	5,720,838		5,720,838
Receivables	125,483		125,483
Other financial assets	-		-
TOTAL CURRENT ASSETS	5,846,321		5,846,321
NON CURRENT ASSETS			
Exploration & evaluation expenditure	2,670,285	1	2,670,285
Investments	-	2	9,560,000
TOTAL NON CURRENT ASSETS	2,670,285		12,230,285
TOTAL ASSETS	8,516,606		18,076,606
CURRENT LIABILITIES			
Payables	153,035		153,035
TOTAL CURRENT LIABILITIES	153,035		153,035
NON CURRENT LIABILITIES			
Deferred tax liability	-	3	2,868,000
TOTAL NON CURRENT LIABILITIES	-		2,868,000
TOTAL LIABILITIES	153,035		3,021,035
NET ASSETS	8,363,571		15,055,571

Note 1 Maximus does not anticipate writing off any capitalised exploration and evaluation expenditure until after EURPL has met its exploration expenditure commitments as per the Eromanga Basin and Billa Kalina Agreements.

Note 2 Recorded at our valuation – refer Section 6.2.3 of the report.

Note 3 Represents tax at the 30% corporate tax rate based on the investment value of $9,560,000 and a $nil cost base. We have sighted a tax opinion obtained by Maximus, which indicates that scrip for scrip rollover will be available to Maximus and no income tax will be payable until the Eromanga shares are sold.

Appendix C-1

Description of the Eromanga Sedimentary Uranium Project[1]

A) Marree Project

The Marree Project is located in the southwest part of the Eromanga Basin, where it on laps Proterozoic rocks of the Adelaide Geosyncline, approximately 600 kilometres north of Adelaide. The project area is held under four exploration licence applications (15/06, 16/06, 17/06 and 18/06) covering 3,927 square kilometres.

Access to the project is via the sealed highway from Port Augusta to the villages of Farina and Marree. The western boundary of the tenement area is approximately 9 kilometres east of the village of Marree and 5 kilometres north of Farina. Tracks from both of these villages connect to a network of pastoral station tracks providing access within the tenement area. The Strezlecki Track, accessible at Lyndhurst 27 kilometres south of Farina, passes through the eastern part of the property.

Geological Setting

Marree is situated within a broad, open embayment of Eromanga Basin rocks, which transgress onto older basement rocks of the northern part of the Adelaide Geosyncline. These older basement rocks consist of Palaeoproterozoic and Mesoproterozoic metasedimentary sequences and intrusive alkali granite and Neoproterozoic and Cambrian sedimentary rocks. They contain a great variety of mineral deposits including copper and uranium. In particular, numerous uranium deposits and occurrences are found within the Mount Painter Complex to the south east of the project area. To the east of the Mount Painter Complex is the Beverley uranium deposit within Eromanga Basin sediments of the Frome Embayment.

The eastern boundary of the tenement area touches on the western margin of the Adelaide Geosyncline. Here late Proterozoic sediments of the Wilpena and Umbertana Groups are composed principally of siltstone, quartzite and conglomerate and silty shale, limestone and conglomerate. Inliers of these rocks also occur in the southern and western part of the tenement area. Upper Cretaceous shale and sandstone of the Marree Subgroup and a duricrust, developed from Tertiary Murnpeowie Formation sandstone, gravel and conglomerate, cover the western and northern portions of the project area. The eastern and southern portions of the project area are covered predominantly by Quaternary sediments consisting of broad areas of gravel and conglomerate derived from the older Adelaide Geosyncline rocks intersected by broad areas of alluvium in creek beds and flood plains.

Twenty three drill holes, from the South Australian Resources Information Geoserver ("SARIG") database, within and adjacent to the tenement area, provide a record of subsurface sediments. The intersected stratigraphy from the basement upward consists of:

- Neoproterozoic/Cambrian basement of indurated pyritic siltstone and sandstone, vesicular basalt, conglomerate and greywacke. A regolith of silicified basement or plastic clay is developed on this basement in some holes.
- Thin, sporadic lenses of Jurassic-Cretaceous, quartzose Algebuckina Sandstone with siltstone interbeds.
- Widespread Cretaceous Cadna-owie Formation of siltstone and fine-grained sandstone, feldspathic in part.

[1] Extracted from an Independent Consulting Geologist's Report prepared by D.W. Otterman Exploration Consultant dated 7 June 2006

- Widespread Cretaceous Bulldog Shale of shaley mudstone in part pryritic, carbonaceous and micaceous with some sandy lenses. (Lower Marree Subgroup)

- Restricted Cretaceous Coorikiana Sandstone of fine-grained sandstone, argillaceous and carbonaceous in part.

- Cretaceous Oodnadatta Formation of silty mudstone.

- A Tertiary-Quaternary succession starting with Paleocene to Eocene fine to medium grained quartzose sandstone of the Eyre Formation with clay interbeds.

Exploration History

Following the discovery of the Beverley uranium deposit in 1970, exploration for uranium deposits within Tertiary sediments flanking the Mount Painter Block was undertaken over a period of fifteen years. Work to the west of the Mt Painter Block, in the vicinity of the Marree project area, was carried out principally by Pechiney (Australia) Exploration Pty. Ltd., Mines Administration Pty. Ltd., Petromin NL, Central Pacific Minerals NL and Nissho Iwai Co. (Australia) Pty. Ltd. Subsequently, exploration for commodities other than uranium, was carried out by several explorers, including CRA Exploration Pty. Ltd. A number of these companies carried out drilling programs and in some instances gamma ray logs of drill holes were recorded.

Pechiney between 1970 and 1973 explored an area to the north of the Marree project area targeting Tertiary and Quaternary sediments. Forty one anomalies were detected from airborne radiometric surveys from which 8 areas were selected for on ground examination and auger drilling where warranted. Pechiney determined that the Lake Arthur area (outside of its tenement holding) contained the most interesting group of anomalies, where radioactivity and yellow secondary uranium minerals occurred in sandstone of the Tertiary Murnpeowie Formation. Of special note was the occurrence of a radioactive anomaly in the Cretaceous Cadna-owie Formation at Catt Mound. However, Pechiney's work concentrated on the Tertiary Murnpeowie Formation representing the main target for uranium mineralisation by analogy with the uranium deposits of the Frome Embayment. Pechiney failed to locate uranium mineralisation and concluded that, although its drilling had been sparse considering the size of the tenement area, the Tertiary was not sufficiently thick and too oxidised within its tenement to contain a roll-front type deposit.

During 1970 and 1971, Central Pacific Minerals NL explored an area covering all of exploration licence application 15/06. Work consisted of collecting water samples from wells in the area and analysing them for uranium. Six stratigraphic holes were drilled and gamma logged. Three of the holes (Mt D1 to D3) penetrated Neoproterozoic basement at depths of 128 to 146 metres. Hole Mt D5 located 5.6 kilometres northeast of Appolinaris Well terminated in Bulldog Shale at 156 metres. No uranium mineralisation was found either in surface prospecting or drilling, although a background radiation of 145 counts per second was recorded from a clay unit at 23 metres depth. Results from the water sampling were considered to be only weakly anomalous at a maximum of 70 ppb U. In spite of the discouraging results, Central Pacific believed potential within the area was upgraded by Pechiney's discovery of secondary uranium mineralisation in Tertiary duricrust at Lake Arthur.

Subsequently, Nissho Iwai Co. (Australia) acquired an exploration licence covering the central portion of the area formerly held by Central Pacific and in 1973 reported the discovery of the secondary uranium mineral carnotite in the bank of the Yerelina Creek 1.6 kilometres east of Nob Well. A further three occurrences of carnotite were discovered in outcrops of Quaternary basal sandstone and quartz pebble conglomerate, containing unoxidised carbonaceous matter and unconformably covering Tertiary mudstone. Chemical analysis of samples returned values up to 0.068% U_3O_8. Nissho Iwai then orientated its exploration program toward Quaternary sandstone hosted uranium deposits at the Tertiary unconformity and carried out further surface investigation, bore and well water sampling,

stream sediment sampling, costeaning and drilled 122 rotary percussion holes throughout the licence. Carnotite was observed in four of six costeans dug in the vicinity of the Nob Well and samples from the costeans assayed up to 800 ppm U3O8. Further work in the vicinity of Nob Well revealed that the mineralised horizon was of limited extent, being extensively eroded by the recent drainage system. A new discovery of carnotite, occurring in Cretaceous siltstone overlying shale (Oodnadatta Formation), 3 kilometres northwest of Tent Hill, was reported. However, it was considered that most of the prospective Cretaceous beds were too deep for a uranium deposit to be exploited economically by open cut and the project was abandoned in 1974.

Other uranium explorers in the areas generally reported finding no significant radioactivity or mineralisation.

B) Kingoonya Project

The Kingoonya project comprises two tenement blocks covering a total area of 4,060 square kilometres within the western part of the Eromanga Basin and is located north of the township of Kingoonya, South Australia approximately 500 kilometres northwest of Adelaide. The northern and southern tenement blocks, containing two (29/06, 30/06) and three (26/06, 27/06, 28/06) exploration licence applications respectively, are separated by about 15 kilometres of ground held by other parties. All of the tenement area lies within the Woomera restricted Area.

The Stuart Highway traverses the project tenements diagonally from southeast to northwest and station tracks within the tenement area provide reasonable access to most areas. In general topography in the area reflects the underlying Mesozoic to Quaternary geology and comprises undulating gibber plains and uplands, and sand plains. No permanent streams or waterholes are present and the ephemeral drainage is internal and poorly defined often disappearing into the sand, broad floodplains or salt lakes. Vegetation is sparse, the gibber uplands and plains lightly covered with scattered mulga woodland and saltbush - bluebush shrubland with bindyi. Open myall woodland and saltbush and bluebush are found on the sand plains. The climate is semi arid and characterized by hot dry summers and short, cool to cold winters. Rainfall is low and unreliable, and periods of drought are common.

Geological Setting

The Kingoonya tenements are underlain by Eromanga Basin sediments predominantly of Jurassic to Cretaceous age under a thin cover of Quaternary sediments and residual soil. Scattered exposures of Tertiary silcreted sandstone occur throughout the tenement area. To the south and west of the project area a chain of playa lakes together with a tributary chain from the north is the present day expression of a Tertiary palaeodrainage system referred to as the Kingoonya Palaeochannel. The upper reaches of this palaeodrainage may extend onto the project area.

The Mesozoic stratigraphy consists of Algebuckina Sandstone, Cadna-owie Formation and Bulldog Shale. The Cretaceous Cadna-owie Formation and Jurassic-Cretaceous Algebuckina Sandstone are important aquifers in the region and although in broad terms these aquifers are open systems, they are in places partially or wholly confined. In the southernmost part of the southern tenement group a Tertiary ferruginisation of the Algebuckina Sandstone is evident.

To the south, west and northwest of the tenement area, rocks of the Gawler Craton area are exposed. These rocks are the oldest in the region and comprise Archean to Mesoproterozoic metamorphic, granitic, acid volcanic and meta-sedimentary rocks and represent basement to the Mesozoic sedimentary formations mentioned above. Mineralisation is widespread in the Gawler rocks and deposits of lead, zinc, copper, tin and gold are found at various places in the Kingoonya region. Furthermore, the world class Olympic Dam copper-gold-uranium deposit is located within rocks of the Gawler Craton, beneath 200 metres of Proterozoic and later cover formations, 100 kilometres to the east of the project area. It can be assumed that these older crystalline rocks could be the source of uranium for enriched groundwater.

An exposure of Hiltaba Suite granite occurs near the southeastern boundary of the southern tenement block. As well, structural interpretation of detailed aeromagnetic data suggests that an uplifted block of Proterozoic Pandurra Formation lies beneath the Mesozoic sediments of the southeastern part of the tenement area. This formation is a possible host for high grade, unconformity related uranium mineralisation.

Exploration History

The discovery of the Tarcoola Goldfield, west of the project area, in 1900 prompted widespread prospecting for gold and base metals over the Gawler Craton. Recorded exploration for fossil fuels and base metals commenced in 1959 and a number of major companies have carried out exploration programs since that time, particularly in the period following the discovery of the Olympic Dam orebody in 1976. During that period some exploration was directed toward uranium in rocks of Proterozoic age in the region.

Within parts of the tenement area, exploration has been carried out for Olympic Dam style deposits by Carpentaria Exploration Co. Pty Ltd, Esso Exploration & Production Australia Inc., CRA Exploration Pty Ltd and BHP Minerals Ltd in joint venture with Western Mining Corporation Exploration Pty Ltd. Exploration for coal was undertaken by Samedan of Australia and diamond exploration by CRA and Stockdale Prospecting Ltd in joint venture with Agip Australia Pty Ltd.

There has been no exploration specifically for uranium within the tenement area. In 1979, Carpentaria Exploration Pty Ltd drilled 4 holes, to a maximum depth of 304 metres, along the old alignment of the Stuart Highway, south of the southern tenement block, effectively testing a limited portion of the base of the Proterozoic Pandurra Formation. No mineralisation or radiometric anomalies were reported.

During the period from 1981 to 1983, Agip Australia Pty Ltd held exploration licences covering a vast area of the Eromanga Basin in the region including all of the southern tenement group. Agip's work was orientated mainly toward coal exploration and several open-hole percussion drill holes were drilled within the tenement group. The targeted Permian Mount Toondina formation was found to be absent and no further coal exploration was carried out.

Between 1981 and 1993, CRA Exploration Pty Ltd explored for Olympic Dam style mineralisation and diamond bearing kimberlite pipes within a project area that covered the northeastern quarter of the northern tenement block. Commencing in 1981 an aeromagnetic-radiometric survey was carried out and a number of radiometric responses were detected some of which were found to be associated with granite and heavy mineral concentrations. Most radiometric responses in the Cairns Hills, 30 kilometres north of the northern tenement group, were found to be associated with Early Proterozoic gneiss outcrops. However, one anomaly was found to be due to dark carbonate bands within the Mt Anna Sandstone member of the Cadna-owie Formation. Anomalous uranium assays of up to 1145 ppm were reported from this exposure. Twelve drill holes were drilled on the prospect to test for Cretaceous sandstone uranium mineralisation. Low order radiometric responses were noted in two holes but the majority of anomalies were found to be only surficial. No further work was undertaken.

Between 1973 and 1987, Nissho-Iwai Co (Australia) Pty Ltd and PNC Exploration Pty Ltd (PNC) carried out exploration specifically for sedimentary uranium in the Tertiary Kingoonya Palaeochannel west of the southern tenement block. In the Malbooma area, drilling indicated widespread uranium mineralisation in a zone about 1.5 metres thick at the Warrior prospect. The mineralisation was found to occur at an oxidation/reduction interface in lignite bearing Eocene sediments at a depth of about 30 metres. Further significant uranium mineralisation was found over a 25 square kilometre area. In the Ealbara area, PNC collected aeromagnetic and radiometric data and radon measurements over a 125 square kilometre area and drilled 29 open hole percussion holes and one diamond drill hole

intersecting lignite bearing Eocene palaeochannel sediments. Radiometric anomalies were reported from several holes at or near the base of surface oxidation in palaeotroughs incised into Gawler basement rocks and Jurassic sediments. A best measurement of 820 counts per second above a background of 35 counts per second over 0.7 metres was recorded at a depth of 70 metres within Eocene sandstone below the base of oxidation in hole EE11. Further drilling was undertaken along the northern tributary of the Ealbara Channel and two branches were identified. PNC determined that the uranium mineralisation intersected was the result of lateral redox front anomalism and suggested a terminal redox front could be expected along the channel thalweg to the southwest. Attempts to locate a terminal redox front were unsuccessful and the project was abandoned after a brief investigation of the Proterozoic basement rocks as a potential uranium host.

C) Abminga Project

The Abminga Project is the largest of the four projects that make up the Eromanga Basin Initiative. The contiguous tenement block, consisting of five exploration licence applications (19/06, 20/06, 21/06, 22/06 and 23/06) in South Australia and two exploration licence applications (25163, and 25166) in the Northern Territory, covers 6,966 square kilometres and forms a narrow corridor along the western margin of the Eromanga Basin, extending from Marla, South Australia in the south to 50 kilometres north of the South Australian-Northern Territory border.

The Stuart Highway passes diagonally through the southern exploration licence, from southeast to northwest, and the north end of the tenement is approximately 210 kilometres south of Alice Springs at a distance of 60 kilometres east of the Stuart Highway at Kulgera. Access within the area is along pastoral station roads and tracks. Topography consists of a mixture of gibber plains, dissected Tertiary tablelands and Mesozoic and older basement terrains, and sand dunes and sand plains. Variation in relief is about 350 metres. Vegetation is variable depending on physiographical condition and ranges from sparse shrubs and grasses to open mulga woodlands, with concentrations of gidgee, coolibah and mulga trees along watercourses. The area has a hot dry desert climate with short cool to mild winters. Mean annual rainfall is 150 millimetres.

Geological Setting

The Abminga tenements cover 230 kilometres of the contact between the Eromanga Basin and the Musgrave Block. The Musgrave Block in this region is composed of Mesoproterozoic high grade metasedimentary and metavolcanic rocks of the Musgrave-Mann Metamorphic Suite and granite of the Kulgeran Granite Suite. A major east-west depression, the Moorilyanna Graben, a deep, fault-bounded structure, cuts through the project area commencing in the Musgrave Block and extending east of the project area where it becomes the Eringa Trough, part of the Permian Perdika Basin. The Permian is completely concealed in the project area, however the Eromanga Basin is extensively exposed, although almost entirely covered by Quaternary sand sheets in the area roughly coincident with the Moorilyanna Graben.

In the project area, Jurassic-Cretaceous Algebuckina Sandstone is the basal unit of the Eromanga basin. It is extensively exposed and rests unconformably on deeply weathered crystalline basement. Displaying fluvial channel and overbank features, it contains upward fining sequences and contains carbonaceous clay units and coal layers. The Algebuckina Sandstone is the main ground water aquifer in the region and is sub-artesian. In the project tenements, Cadna-owie Formation occurs as a basal sandy unit to the overlying Bulldog Shale consisting of fine grained silty claystone and siltstone, pyritic and carbonaceous in part. The Bulldog shale, a marine unit, forms the upper impervious layer over the porous sandy target rocks. Succeeding Eromanga Basin formations are absent from the Abminga tenements.

Exploration History

The first recorded uranium exploration was undertaken by Dampier Mining Company Ltd (BHP) commencing in 1973. BHP's tenements covered a large area extending east-west through the southern half of exploration licence application 22/06 and most of their work was concentrated within and proximal to the western side of this tenement. A total of 56 rotary holes were drilled, gamma ray logging revealing numerous anomalies, ranging from 4 to 18 times background, in the Algebuckina Sandstone. The highest anomaly occurred in hole AL50, corresponding to an estimated value of 195 ppm U_3O_8 over an interval of 0.75 metres. This hole is located between Maynard's Bore and Tieyon Bore, about 12 kilometres west of Abminga tenement 22/06.

Two northeast trending palaeo-valleys, separated by a basement ridge and filled with Upper Jurassic fluviatile sediments and Lower Cretaceous clays, were outlined. These palaeo-valleys trend onto Eromanga's ground. The Jurassic sediments intersected consisted of interbedded carbonaceous, pyritic sandstone and clay, with a highly pyritic basal quartz pebble conglomerate resting unconformably on Proterozoic siltstone basement. BHP was disappointed with the results and did not renew their tenements.

During 1979 and 1980, Afmeco Pty Ltd (Afmeco) explored for uranium deposits in the Algebuckina Sandstone within and to the east of the northern half of the Abminga project tenements. Five diamond holes and 15 aircore holes were drilled mainly in the vicinity of the Enungarenna Bore east of the southern part of ELA 22/06. Selected holes were gamma logged and gamma logs were also obtained from 5 water bores. Radiometric anomalies were recorded in 6 drillholes, a highest reading of 190 counts per second recorded from the Algebuckina Sandstone in hole CUR13 near Enungarenna Hill.

Chemical analysis of drill samples from CUR13 showed several anomalous uranium values, the highest being 190 ppm and a water sample from the same hole returned a uranium analysis of 180 milligrams per litre.

Afmeco suggested that hole CUR13 was possibly within a channel and located near an oxidation reduction interface. However, no further work was carried out.

D) Illogwa Project

The Illogwa project, in the Northern Territory, is the most northern of the Eromanga Basin Initiative properties. It is located approximately 200 kilometres east of Alice Springs on the western edge of the Simpson Desert and consists of two exploration licence applications (21561 and 21562) covering 1,229 square kilometres.

Access from Alice Springs is via the Numery Station road and Colson track, which crosses the southwest corner of the tenement area. Exploration licence 21561 is situated entirely on Pmere Nyente Aboriginal land holding. Except for a few low outcrops of Jurassic-Cretaceous sandstone in the northwest corner of the tenement area, the property is entirely covered with sand dunes averaging 7 metres in height above the surrounding landscape. Access within the tenements is restricted to a single track along the Illogwa Creek, which passes from northwest to southeast through the northern half of the tenement area.

Geological Setting

The Illogwa project tenements are positioned at the contact of the Eromanga basin and late Proterozoic sediments at the eastern margin of the Arunta Block. A northwest trending zone of high magnetic disturbance to the east of the tenement block may indicate an uplifted segment of the Arunta Block (Strangways Metamorphic Complex) beneath Mesozoic and later sedimentary formations.

Crystalline rocks of the Arunta Block, containing uranium occurrences within Proterozoic schist, gneiss and granite to the northwest of the tenement area are a potential source for uranium bearing groundwater. Although the geology of the project tenements is largely unknown, being obscured by recent aeolian quartz sand deposits, limited exposures of Jurassic-Cretaceous Hooray Sandstone, equivalent to the basal Algebuckina Sandstone in other areas of the Eromanga basin, suggest that the area is principally underlain by this formation and succeeding formations. If this is the case, the tenements cover about 70 kilometres of prospective contact sediments.

Exploration History

Between 1976 and 1979, Agip Nuclear Australia Pty Ltd (Agip) explored an area to the north of Eromanga's tenements. Exploration was directed toward the location of buried palaeochannel sands within the Cainozoic sequence. Resistivity surveys and 21 rotary drill holes were completed. No evidence of uranium mineralisation was detected.

Historical exploration for uranium within the Illogwa Creek tenement area is minimal. In 1980 Afmeco Pty Ltd (Afmeco) selected several areas along the margin of the Eromanga Basin that were thought to have proximity to favourable uranium source rocks and potential for sandstone hosted uranium deposits. The Illogwa Creek area, covering the northeastern half of Eromanga's current tenement holding, was described as being downstream from uranium anomalies found in the Arunta Complex Basement.

Afmeco drilled 5 stratigraphic holes (aircore), intersecting Wallumbila Formation (Bulldog Shale) composed of shale, siltstone and minor sandstone and Cadna-owie Formation composed of pyritic, glauconitic sandstone and siltstone. Maximum hole depth was 193 metres. Two of these holes are located along Illogwa Creek within ELA 25161. No radiometric anomalies were recorded.

Appendix C-2

Description of the Billa Kalina Project[2]

The Billa Kalina project area lies within the Olympic Dam Province which hosts Olympic Dam, one of the largest uranium bearing IOCG deposits in the world. IOCG deposits are typically hosted by quartz hematite breccias and have a range of deposit styles. Although usually occurring in areas of significant magnetic relief, they are not always coincident with magnetic anomalies, which often are associated with a deeper source than the mineralisation. Gravity signature is more definitive as most significant IOCG deposits have an associated gravity anomaly.

The project area is intersected by the "G2" Gravity Corridor, a north-northwest trending lineament that traverses the Australian continent. The corridor hosts the Olympic Dam deposit, located 70 kilometres to the south-southeast. The strategic location of the project within the Gawler Craton and along the G2 corridor, makes it highly prospective for major deposits of copper, gold and uranium.

Billa Kalina is 650 kilometres north of Adelaide and immediately south of the village of William Creek. It is accessible from Marree via the Oodnadatta Track to Coward Springs and then south to Billa Kalina or alternatively from Glendambo on the Stuart Highway. The tenements cover portions of existing pastoral leases in the region and are almost wholly within the Woomera restricted area. A network of station tracks linking numerous dams and bores provides good access within the tenement area. Topography consists of broad expanses of gently undulating stony desert known as "gibber plains" interspersed with occasional low ridges and small hills. Drainage is relatively poor and stream incision is generally shallow. Vegetation is sparse. Climate is typical for Central Australia, with a low annual rainfall of 150mm and mean maximum temperatures ranging between reaching 20ºC (July) and 35ºC (January).

Tenement holdings consist of 5 granted exploration licences EL3337 (Welcome Creek") EL3526 ("Francis Swamp"), EL3525 ("Margaret Creek"), EL3170 ("Billa Kalina) and EL3338 ("Millers Creek") encompassing a total area of 4,084 square kilometres for which Maximus, by agreement with Flinders Diamonds Limited, holds 100% equity in non-diamond minerals.

Geological Setting

The Billa Kalina project area is situated in the Stuart Shelf geological province within the eastern margin of the Gawler Craton, where an incomplete sequence of undeformed Late Proterozoic and Cambrian to Cainozoic platform sedimentary rocks overlies Early Proterozoic deformed granitic and sedimentary rocks and relatively flat lying felsic and mafic volcanics and siltstone. The project area is intersected by the north-northwesterly trending "G2" gravity corridor, which is thought to represent a long lasting zone of crustal weakness.

Proterozoic outcrop is sparse, the area being extensively covered with sedimentary rocks of Permian to Tertiary age. Significant northwest trending fault structures, to the north of the project area have exposed the large Peak and Denison Inlier which hosts small copper and gold workings. A smaller exposure of Proterozoic rocks, the Mt Morgan Inlier, occurs further south in the central part of the tenement area.

Post Proterozoic tectonic activity during the early part of the Palaeozoic led to the development of troughs into which Permian marine sediments were subsequently deposited. The project tenements cover the southeast margin of one of these Permian basins, the Arckaringa Basin, where the sedimentary rocks thin out as they onlap the underlying Proterozoic basement. Approximately 130 kilometres of the basin margin is understood to

[2] Extracted from an Independent Consulting Geologist's Report prepared by D.W. Otterman Exploration Consultant dated 7 June 2006

lie within the Billa Kalina tenements, and is considered to be prospective for sandstone hosted uranium mineralisation. During the Late Jurassic and Early Cretaceous, fluvio-deltaic sediments were deposited unconformably over the Permian sediments. In the tenement area the thickness of overlying strata to the Permian formations is estimated to average around 30 metres.

Subsequently, erosion, deep weathering and hard duricrust development, in a semi-arid climate, lead to the formation of broad gibber plains obscuring much of the bedrock geology.

Exploration History

Small copper, gold and opal prospects occur in the project area, showing that interest in its mineral potential predates more intensive modern exploration programs. Several major companies have been active at various periods of time since the late 1970s, exploring for diamonds, base metals, uranium, gold and coal.

Regional aerial geophysical surveys and deep drilling for coal and water have provided broad-based structural and stratigraphic data, from which the tectonic development of the region has been modelled and the thickness of sedimentary sequences overlying the Proterozoic basement determined.

Basemetal and gold exploration commenced in the late 1970s when Western Mining Corporation (WMC) drilled a prominent magnetic feature in the southeast corner of EL 3525. The anomaly was targeted with two holes to depths of 743 metres and 1500 metres, which failed to penetrate cover sequences.

During the late 1970s and early 1980s, a joint venture initially comprising Newmont and Dampier Mining Company Ltd (Dampier) and subsequently joined by Getty, drilled several deep holes in the area currently covered by ELs 3525 and 3526. No holes intersected basement or significant mineralisation and it was concluded that potential for Olympic Dam style mineralisation would, if present occur at depths in excess of 1 kilometre.

Dampier also drilled 4 stratigraphic holes near Woolshed Well just outside of the western boundary of EL3338. The holes intersected Lower Cretaceous marine sediments below a thin veneer of recent fluviatile sediments. No radiometric anomalies were detected but abnormal amounts of pyrite were reported in hole MC1.

Between 1980 and 1982, Esso Australia Ltd explored the western part of EL3338 for Olympic Dam style mineralisation without success and consequently farmed out their tenement holding to Stockdale Prospecting Limited who explored for diamonds until 1986. Although Stockdale recovered kimberlitic indicator minerals, no diamonds or kimberlite were discovered.

In 1996 MIM, after carrying out an airborne magnetic survey over the northern part of what is now EL 3526, concluded that depth to economic mineralisation was too deep. Similarly, Silver Rose Mining NL concluded from interpretation of compiled open file aeromagnetic data over the southeast corner of EL3529 that the basement targets were too deep.

Appendix D

Glossary of Technical Terms

aeromagnetic survey	Measurement of the earth's magnetic field from a surveying aircraft, for the purpose of recording magnetic characteristics of rocks.
aircore drilling	A method of rotary drilling whereby small core samples and rock chips are recovered by air flow returning inside the drill rods.
alluvium	Unconsolidated detrital material deposited by a stream or river.
anomaly / anomalous	A value or group of values higher than the expected norm.
breccia / brecciation	Broken rock caused by deformation, consisting of angular fragments cemented in a fine grained matrix.
Cainozoic	The youngest era of geological time extending from 65 million years ago to the present, including the Tertiary and the Quaternary periods.
Cambrian	The first geological period of the Palaeozoic era extending from 570 to 505 million years ago.
carbonaceous	A rock or sediment rich in carbon (C), or a sediment rich in organic matter.
carbonate	A compound containing the radical CO3; commonly calcium carbonate or calcium-magnesium carbonate.
channel	The bed where surface water may flow, an abandoned or buried watercourse, represented by stream deposits of sand or gravel.
chlorite	A platy hydrous silicate related to mica.
clastic	Components of a sedimentary rock that were deposited by erosion and transportation of mineral and rock fragments.
craton	A large, and usually ancient, stable mass of the earth's crust.
Cretaceous	The youngest geological period of the Mesozoic era, extending from 145 to 65 million years ago.
crystalline	Designating igneous or metamorphic rocks as opposed to sedimentary rock.
deformation	A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress.
deltaic	Pertaining to the deposition in a delta
diamond drilling	A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
DTM	Abbreviation for a Digital Terrain Model, used to provide a representation of the Earth's topography.
duricrust	A hard crust on the surface.
Electromagnetics (EM)	Magnetic or electrical fields associated with artificially generated subsurface currents and their measurement.
Eocene	A geological time period of about 55 to 35 million years ago.
epigenetic	Mineralisation that has been formed or deposited later than it's immediate host rocks, eg. a vein.
fault / faulting	A fracture in the rock along which there has been relative displacement of the two sides either vertically or horizontally.
felsic	Descriptive of light coloured rocks containing an abundance of feldspars and quartz.
fluvial / fluviatile	Produced by river action.

fold	A bend in strata or any planar structure.
gamma logging	A geophysical technique of measuring the natural gamma radiation of the rock.
gamma radiation/ray	Electromagnetic radiation from an atomic nucleus.
geochemistry	The study of the abundance and distribution of elements in rocks, or their weathering products, by chemical methods.
geophysics	The study of the physical properties of rocks such as magnetism, conductivity and density.
geosyncline	A basin-like downwarp of the earth's crust in which a thick sequence of sedimentary and volcanic rocks has accumulated
gneiss	A foliated rock formed by regional metamorphism.
granite	A coarse-grained igneous rock containing mainly quartz and alkalai feldspar minerals and subordinate plagioclase feldspar and mica.
granitoid	A field term for a coarse grained felsic rock resembling granite.
gravity survey	A geophysical technique involving the systematic survey of readings of the Earth's gravitational field strength related to rock types.
hematite	A mineral composed of ferric iron and oxide.
hydrothermal	Pertaining to hot aqueous solutions having temperatures up to 400°C. The solutions transport and deposit metals and chemicals in solution.
igneous	Rocks that have solidified from molten rock (magma).
indurated	Hardened by cementation.
inlier	An area or group or rocks surrounded by rocks of younger age.
intrusive	A mass of rock formed by magma cooling beneath the earth's surface.
IP survey	Induced Polarisation survey; an electro-geophysical survey technique where potential fields are measured under the influence of an applied current.
Jurassic	The middle time period of the Mesozoic extending from 200 to 145 million years ago.
lacustrine	Pertaining to the deposition in a lake environment.
lignite	A brownish-black coal.
lineament	A significant linear feature of the earth's crust, usually equating to a major fault or shear structure.
mafic	Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates.
magnetic anomalies	Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.
Mesoproterozoic	The middle time subdivision of the Proterozoic geological period, from 1,600 to 1,000 million years ago.
Mesozoic	The second youngest geological era extending from 250 to 65 million years ago.
meta (prefix)	Indicating the rock has undergone metamorphism.
metamorphosed	A rock that has been modified by the effects of pressure, heat and fluids.
mineralisation	The concentration of metals and their chemical compounds within a body of rock.
mudstone	A fine grained sedimentary rock.

Neoproterozoic	The youngest time subdivision of the Proterozoic geological period, from 1,000 to 570 million years ago.
NOAA	Abbreviation for National Oceanic and Atmospheric Administration. A USA government organisation that collects satellite remote sensing data.
ore	Mineral-bearing rock that may be mined and treated at a profit.
orogeny	A process where part of the earth's crust is deformed, over a specific period of time.
outcrop	An exposure of bedrock at surface.
oxidation	The process by which minerals are altered by the action of oxygen.
palaeo (prefix)	Denoting the attribute of great age or involving ancient conditions or ancestral origin.
palaeodrainage	An ancient drainage system.
Palaeoproterozoic	The oldest time subdivision of the Proterozoic geological period, from 2,500 to 1,600 million years ago.
Palaeozoic	A geological era extending from 570 to 250 million years ago.
Paleocene	A geological time period of about 65 to 55 million years ago
percussion drilling	A form of drilling carried out by the hammering action of a drill bit.
Permian	The youngest period of the Palaeozoic geological era, from 290 to 250 million years ago.
pitchblende	The most common ore of uranium, which is dominantly composed of the mineral uraninite (UO2).
playa lake	A shallow, intermittent lake in an arid or semi arid region that upon evaporation leaves a low flat vegetation free area underlain by stratified clay , silt sand and soluble salts.
plutonic	Pertaining to an intrusive mass of igneous rock.
ppb or ppm	Parts per billion or parts per million.
Precambrian	A geological era of more than 570 million years ago.
prospect	An area of a tenement that has demonstrated potential to host an orebody.
prospective	A general term for the perceived potential for the discovery of an orebody based on the knowledge of factors such as favourable geological setting, structures, alteration, geochemical and/or geophysical responses, and the occurrence of mineralisation.
Proterozoic	The geological time period between 2,500 to 570 million years ago.
pyrite / pyritic	A mineral consisting of iron and sulphur, (FeS2). Containing pyrite.
quartz	A mineral composed of silicon dioxide.
Quaternary	A period of the Cainozoic geological era from 2 million years ago to the present.
radiometricsurvey	The systematic survey of readings of radiogenic emissions as a result of radioactive processes.
RAB drilling	Rotary airblast drilling; a rotary drilling technique in which sample is returned to surface outside of the rod string by compressed air.
radon	A gas originating from the radioactive decay of uranium minerals.
RC drilling	Reverse Circulation drilling; A method of drilling whereby rock chips are recovered by airflow returning inside the drill rods rather than outside, thereby providing usually reliable samples.

Recent	The era of geologic time covering the period from approximately 8 thousand years ago to the present.
redox	A chemical process involving the transfer of electrons by oxidation and reduction. The oxidation-reduction interface in water charged sediments at the top of the water table.
resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered.
roll-front deposit	A type of uranium deposit formed at the boundary between reducing and oxidising environments (redox) in moving groundwater.
sandstone	A medium-grained clastic sedimentary rock composed of rounded or angular fragments.
sediment	Rocks formed by the deposition of solids from water.
seismic survey	The systematic survey of reflected sound waves to measure changes in the density of the Earth's surface between rock and soil layers.
shale	A fine grained sedimentary rock.
shear	A planar zone of dislocation in rock similar to a fault.
siltstone	A very fine grained consolidated clastic rock composed predominantly of silt.
stratigraphy	Composition, sequence and correlation of stratified rock in the earth's crust.
structure	Refers to the deformation of rocks by folding, fracturing, faulting and shearing and the features created by those processes.
structural	Pertaining to geological structure.
sulphide	A mineral compound characterised by the linkage of sulphur and metal.
tectonic	Of, pertaining to or designating the rock structure and external forms resulting from the deformation of the earth's crust.
Tertiary	The first period of the Cainozoic geological era, from 65 to 1.6 million years ago.
thalweg	A line drawn through the lowest points of a channel or valley in its downward slope thus marking the natural direction of a watercourse.
Triassic	The earliest time period of the Mesozoic extending from 250 to 200 million years ago.
U	The chemical symbol for uranium.
U308	The chemical symbol for uranium oxide.
unconformity	A surface erosion or non-deposition that separates younger strata from older rock.
uraninite	A uranium oxide mineral (UO2) always partially oxidised with a composition between U02 and U308, the mineral constituent of pitchblende.
vein	A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
volcanic	Descriptive of rocks originating from extrusive igneous activity.
weathering	The group of processes that change the character and composition of rocks by decay.

PART 2 – FINANCIAL SERVICES GUIDE

1. DMR Corporate

DMR Corporate Pty Ltd ("DMR Corporate") holds Australian Financial Services Licence No. 222050, authorizing it to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

2. Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale clients in making a decision as to their use of the general financial product advice included in the independent reports ("Report") prepared by DMR Corporate, the financial services offered by DMR Corporate, how DMR Corporate is remunerated and DMR Corporate's complaints process.

3. Financial Services Offered by DMR Corporate

DMR Corporate prepares Reports, which are provided to members of a company or other entity ("Entity") for which DMR Corporate prepares the Reports. Reports are commissioned by an Entity and DMR Corporate's client is the Entity to which it provides the Report.

All Reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate's independence of the Entity commissioning the Report and other parties to the transactions.

DMR Corporate does not accept instructions from retail clients. DMR Corporate provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

4. General Financial Product Advice

In the Reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a Report having regard to their own objectives, financial situation and needs before acting on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

5. Remuneration

DMR Corporate charges fees for providing Reports. These fees are agreed with, and will be paid by the Entity engaging us to provide the Report. Fees for Reports are based on a time cost or fixed fee basis and all fees are disclosed in the Reports.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any Report.

6. Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have a system for handling complaints from persons to whom DMR Corporate provide financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Industry Complaints Service Limited – PO Box 579 – Collins Street West, Melbourne Vic 3000.