

ASX ANNOUNCEMENT

MAXIMUS TARGETS WINDIMURRA IRON ORE POTENTIAL OF NARNDÉE PROJECT, WESTERN AUSTRALIA

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The Manager
Companies Announcements Office
Australian Securities Exchange
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HIGHLIGHTS

- Maximus, in its first move into iron ore, plans to investigate the iron ore, vanadium and titanium potential of the 100% owned Windimurra project, Western Australia.
- The project is located in the emerging Mid West Iron Ore Province – currently the subject of significant proposals for new iron ore export infrastructure.
- Surface sampling results indicate iron, titanium and vanadium grades average 54% Fe, 13% TiO₂ and 1.2% V₂O₅ respectively
- Potential magnetite-rich targets at the Canegrass and Shephards prospects are estimated at 160 to 200 million tonnes

NARNDÉE PROJECT – WINDIMURRA IRON

WESTERN AUSTRALIA

Canegrass and Shephards Prospects

Maximus 100%

As part of its investigation of various mineral occurrences within the extensive Narndee - Windimurra layered mafic complexes Maximus has recognised potential for significant quantities of coarse grained magnetite within the Windimurra complex. Elsewhere, separation of such coarse grained magnetite has been shown to be a cost-effective technique of producing an iron ore concentrate.

The Windimurra Project is well located in the emerging Mid West Iron Ore Province of Western Australia, within 400 kilometres of the port of Geraldton and proximal to existing and proposed infrastructure for several established and imminent iron ore mining operations and deposits (Figure 1). Several of the iron ores in this region are predominantly magnetite compared to the normal hematite based ores from the Pilbara.

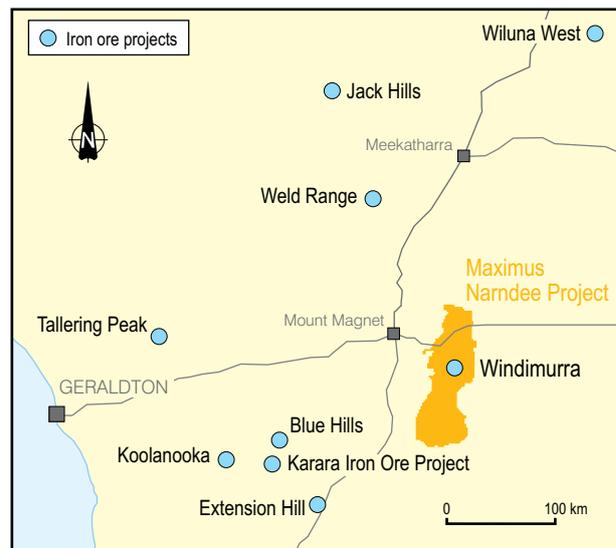


Figure 1 Location of iron ore projects in the vicinity of Maximus Narndee tenements.

Two prospects of immediate interest within the Windimurra complex are the:

- 18 kilometre long Canegrass magnetic anomaly, and
- The southern extensions of the 35 kilometre long Shephards Zone, the northern portion of which hosts Precious Metals Australia Limited's (PMA) Windimurra Vanadium deposit (Figure 2).

Both the Canegrass prospect and the Shephards Zone are enriched in iron, titanium, and vanadium to levels of potential economic interest. Maximus believes that existing separation techniques can be used to provide a magnetite concentrate as a feed for new blast furnace technologies currently being operated in China, Russia and South Africa. These prospects would then represent potential resources that could recover iron, titanium and vanadium.

Canegrass Prospect

Analytical values averaging 54% Fe, 13% TiO₂ and 1.2% V₂O₅ have been recorded by Maximus for 198 surface grab samples from magnetite exposures along the 18 kilometre long Canegrass magnetic feature.

The Canegrass prospect has been previously explored for vanadium bearing magnetite by WMC Resources Limited (WMC) between 1978 and 1984 and, more recently, by Vanadium Australia Pty Ltd (VAPL, operator for the now disbanded Xstrata Resources – PMA joint venture).

WMC undertook limited drilling and demonstrated intersections of up to 24.7 metres from 36 metres down hole CGD1 at 40.1% Fe, 9.5% TiO₂ and 0.8% V₂O₅. Preliminary metallurgy on the coarse grained unoxidised mineralisation from this intersection led to the separation of a magnetite concentrate that assayed 57.2% Fe, 12.6% TiO₂ and 1.05% V₂O₅.

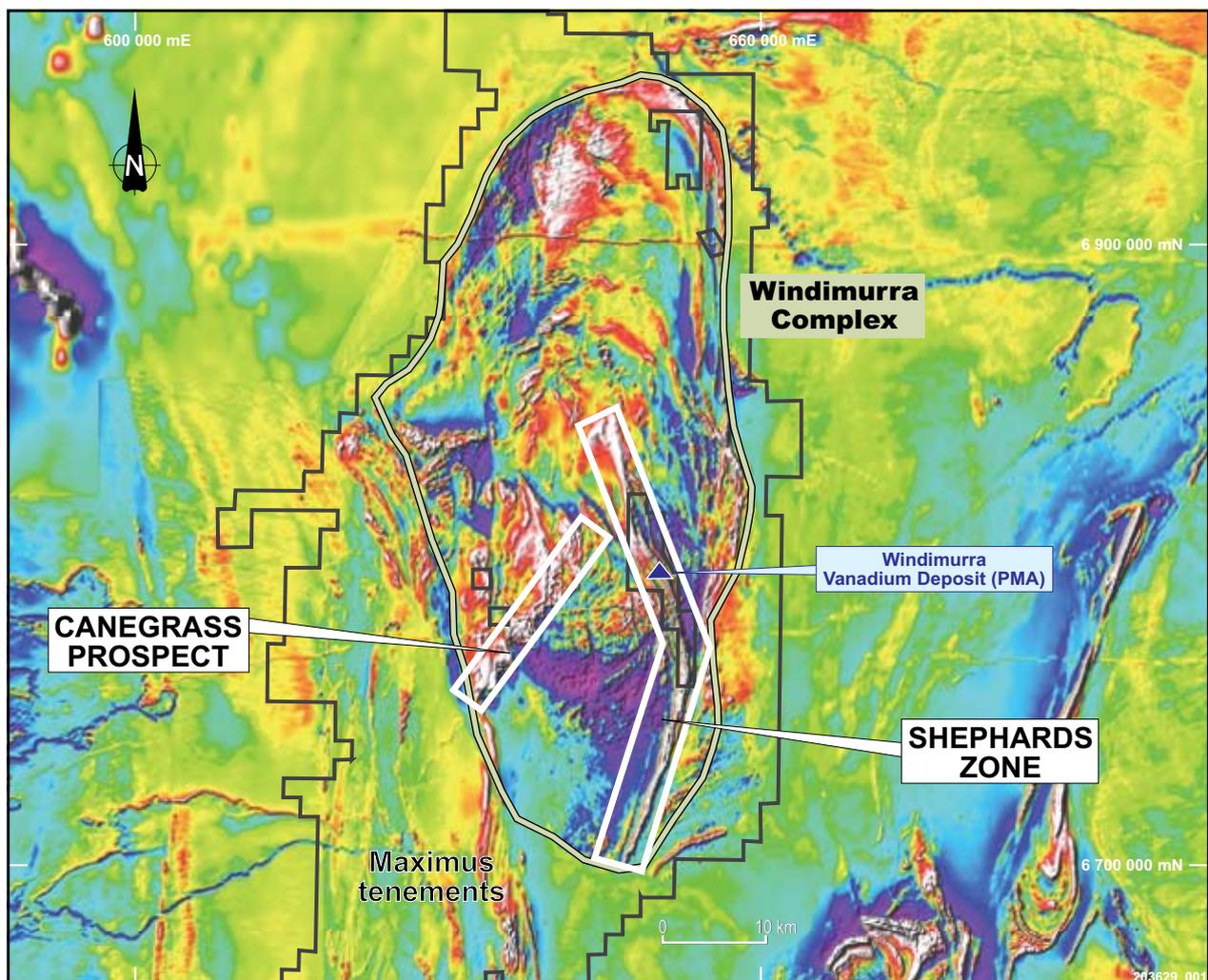


Figure 2 Airborne Total Magnetic Intensity image showing location of prospective areas in the Windimurra Complex – white areas represent strongly magnetic highs, purple areas represent weakly magnetic lows.

WMC lost interest in the prospect after 1984 and, later, Canegrass was also surrendered by VAPL when the nearby Windimurra Vanadium deposit dominated their interests in the region.

Based on the field identified magnetite horizons and interpretation of detailed airborne magnetics, an estimate of the potential magnetite-rich gabbro target available to only 30 to 40 metres depth along the shallow dipping Canegrass magnetic feature is in the order of 100 to 120 million tonnes. Maximus intends to undertake a more thorough examination of the Canegrass magnetite horizon by drilling a series of reverse circulation holes along several traverses to determine the thickness and grade of iron, titanium and vanadium within the prospect area.

Shephards Zone

Maximus also controls 18 kilometres of the southern Shephards Zone (SZ) that, to the north, hosts the Windimurra Vanadium deposit. This is currently estimated by PMA to contain a mineral resource of 148 million tonnes at 0.46% V₂O₅ (consisting of 64 mt measured, 66 mt indicated and 18 mt inferred). Tenements over the SZ controlled by Maximus are situated only 13 kilometres south of the Windimurra Mine site.

Surface rock chip sampling of 285 samples has been completed by Maximus at the SZ. Results for the first batch of 137 samples gave average values of 48.6% Fe, 12.4% TiO₂, and 1.2% V₂O₅. Results for the remaining samples are outstanding.

Based on the field identified magnetite horizons and interpretation of detailed airborne magnetics, a preliminary estimate of the magnetite-rich gabbro target available to only 30 to 40 metres depth along the steeply dipping SZ magnetic feature is in the order of 60 to 80 million tonnes. Maximus intends to undertake a more thorough examination of the southern portion of the SZ by drilling a series of reverse circulation holes along several traverses to determine its total thickness and overall grade of iron, titanium and vanadium.

Tonnage Estimates

As there has been insufficient exploration drilling to define a Mineral Resource, it is emphasised that the target tonnage estimates given above are conceptual in nature. Therefore, it is uncertain if further exploration will result in the estimation of a Mineral Resource.



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The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr K Wills who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Wills has more than five years relevant experience in the style of mineralisation and types of deposit under consideration and consents to inclusion of the information in this report in the form and context in which it appears. He qualifies as Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".