

MAXIMUS RESOURCES LIMITED

ACN 111 977 354

PROSPECTUS

This Prospectus relates to the issue of Bonus Options on a 1 for 5 basis to holders of Shares who are registered as at the close of business on 31 January 2008.

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser.

CORPORATE DIRECTORY

Directors

Mr Robert Kennedy (Non-Executive Chairman)

Dr Kevin Wills (Managing Director)

Mr Gary Maddocks (Executive Director)

Mr Ewan Vickery (Non-Executive Director)

Secretary/Chief Financial Officer

Mr Richard Willson

Registered Office

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Norwood, South Australia, 5067

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Share Registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide, South Australia, 5000

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Adelaide, South Australia, 5001

Enquiries (within Australia): 1300 556 161

Enquiries(outside Australia):+613 9415 4000

Facsimile: +61 8 8236 2305

Stock Exchange Listing

ASX Limited

ASX Code: MXR

IMPORTANT NOTICES

This Prospectus is dated 16 January 2008. A copy of this Prospectus was lodged with ASIC on 16 January 2008. ASIC and ASX take no responsibility as to the contents of this Prospectus. No Bonus Options will be allotted or issued on the basis of this Prospectus after the expiry date of 16 February 2009.

Bonus Options are only being issued to Shareholders with registered addresses in Australia and New Zealand. All other Shareholders (**Non-Resident Shareholders**) will not be issued Bonus Options under this Prospectus. The Company has determined, in accordance with the Listing Rules, that it would be unreasonable to make an offer under this Prospectus to Non-Resident Shareholders having regard to:

- the number of Shareholders in the places where the offer would be made;
- the number and value of the rights that would be offered; and
- the cost of complying with the legal requirements in those places.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Definitions of certain terms used in this Prospectus appear in the Glossary in Section 4.

1. DETAILS OF THE ISSUE

1.1 The Issue

The Company is issuing Bonus Options on a one for five basis to holders of Shares who are registered as at the close of business on 31 January 2008. The Bonus Options are being issued free to Shareholders. Fractional entitlements to Bonus Options will be rounded up to the next whole number. The total number of Bonus Options to be allotted will be up to approximately 28.6 million.

The Bonus Options to be issued pursuant to this Prospectus will be issued and holding statements despatched by no later than 14 February 2008, or such later date as determined by the Directors in accordance with the Listing Rules.

Application for admission of the Bonus Options to quotation on ASX will be made within 7 days after the date of this Prospectus.

1.2 Purpose of the Issue

Any funds raised by the exercise of Bonus Options will be used as working capital to finance the exploration and development of tenements in the Company's existing portfolio as well as to look for new opportunities in acquiring proven or producing assets to which the Company can add value through technical enhancements.

1.3 Terms of the Bonus Options

The Bonus Options will be issued on the following terms:

- (1) Each option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the Company.
- (2) Each option is exercisable at any time from the date the option is granted until 30 June 2009 (**Expiry Date**) (inclusive of both dates).
- (3) Some or all of the options may be exercised at any one time or times prior to the Expiry Date provided that no less than 5,000 options are exercised at any one time.
- (4) The Exercise Price of each option is 20 cents.
- (5) Shares issued pursuant to the exercise of any option will rank in all respects on equal terms with the existing fully paid ordinary shares in the Company.
- (6) No adjustment to the number of shares which each attaching option entitles the Optionholder to subscribe to will be made, except in accordance with paragraph 8 of these terms.
- (7) An option will not entitle the holder to participate in any new issue of Shares by the Company, unless the option has been duly exercised prior to the relevant record date.

- (8) If there is a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the restructure or reorganisation. Any changes to the terms of the options will not result in any benefit being conferred on the Optionholders which is not conferred on the shareholders of the Company.
- (9) Application will be made by the Company to the ASX for permission for quotation to be granted in respect of shares issued upon exercise of any of the options in the manner required by the Listing Rules.
- (10) The options will be fully transferable in accordance with the constitution of the Company and, for such time as the Company is listed, the ASX Listing Rules and the ASTC Business Rules.
- (11) Shares issued pursuant to the exercise of an option will be issued on a date which will not be more than 10 days after the receipt of a properly executed notice of exercise of option and the application moneys in respect of the exercise of the option.

1.4 **Rights attaching to Shares**

If you exercise your Bonus Options you will be issued Shares in the Company. Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which may be inspected at the Company's registered office. A summary of the rights follows.

Voting rights

At a general meeting every shareholder present in person by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

Dividends

Dividends are declared by the Directors at their discretion and subject to any special rights (at present there are none) are payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those Shares.

Transfer of Shares

Generally, Shares are freely transferable. Where the Listing Rules or the law require the Company to do so, the Directors must decline to register a transfer. If Shares are subject to a restriction agreement entered into by the Company and shareholder, except as permitted by the Listing Rules, a shareholder may not dispose of the Shares and the Directors and the Company will not register a dealing in the Shares.

Future increases in capital

The allotment or issue of any shares of the Company is under the control of the Directors who may, subject to the Corporations Act and the Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

Variation of rights

The rights and privileges attaching to Shares can be altered by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

Rights on winding up

In the event of a winding up of the Company:

- any surplus will be divided among the shareholders in the proportion that the amount paid up on the shares bears to the total amount paid up on all shares of the Company on issue;
- surplus assets in kind may, with the sanction of a special resolution, be divided among shareholders in such proportion as the liquidator may determine.

2. INFORMATION ABOUT THE COMPANY

2.1 Disclosing Entity

This Prospectus is issued pursuant to section 713 of the Act as a prospectus for the offer of continuously quoted securities.

The Company is a "disclosing entity" for the purposes of the Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information the Company has which a reasonable person would expect to have a material effect on the price or value of the Company's shares.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Adelaide during normal working hours. In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, any Regional Office of ASIC.

2.2 Information Available to Shareholders and Prospective Investors

The Company will provide a copy of each of the following documents free of charge, to any Shareholder or prospective investor who so requests during the application period under this Prospectus:

- 2.2.1 the 2007 Annual Report of the Company which contains the financial statements for the 2006/2007 financial year;

2.2.2 the following announcements lodged with ASX since release of the 2007 Annual Report:

Date	Announcement
25/10/2007	Notice of AGM
25/10/2007	Sample Proxy Form
25/10/2007	Appendix 3B
29/10/2007	Bird-In-Hand Update Lode Length Increased at Shallow Depths
30/10/2007	Appendix 3B
31/10/2007	Quarterly Activities Report Period Ending 30 September 2007
01/11/2007	Letter to Share Optionholders
01/11/2007	Rights Issue Prospectus
02/11/2007	Appendix 3B
02/11/2007	Letter to Shareholders Non Renounceable Rights Issue
05/11/2007	Update to Quarterly Report Period Ending 30 September 2007
13/11/2007	Appendix 3B
13/11/2007	Resource Estimation Commenced at Sellheim Gold Project
19/11/2007	Clarification of Sellheim Announcement dated 13-11-2007
22/11/2007	Iron Ore Potential and Future Program at Windimurra
27/11/2007	Results of AGM
27/11/2007	AGM2007- Presentation
27/11/2007	AGM2007- Chairman's Address
28/11/2007	Audio Broadcast
29/11/2007	Two of Three Holes At Bird In Hand Hit Mineralised Zones
04/12/2007	Rights Issue
06/12/2007	Narndee Project - Iron Ore Drilling to Commence
12/12/2007	Appendix 3Y
12/12/2007	Appendix 3Y
12/12/2007	Appendix 3Y
12/12/2007	Appendix 3Y
12/12/2007	Appendix 3B
20/12/2007	7.5 million pounds inferred for Windimurra Uranium Prospect
20/12/2007	Maximus Announces First Uranium Resource
21/12/2007	Audio Broadcast
10/01/2008	Bonus Issue
10/01/2008	Appendix 3B
14/01/2008	Letter to Optionholders - Free Bonus Option Issue

2.3 **Market Prices of Shares**

The lowest and highest market sale price of Shares on ASX during the 3 months immediately before 16 January 2008, and the respective dates of those sales, were 17.5 cents on 19 December 2007 and 34.3 cents on 18 October 2007. The last sale price for Shares on ASX before the date of this Prospectus was 19 cents on 15 January 2008.

2.4 **Capital Structure of the Company**

As at the date of this Prospectus, the Company had on issue approximately 143 million Shares. The Company also has on issue approximately 31,439,480 listed options exercisable at 20 cents expiring on 30 June 2008 and the following unlisted options on issue:

- 1,000,000 options exercisable at 20 cents each expiring on 12 April 2010;
- 810,000 options exercisable at 14 cents each expiring on 20 March 2012;
- 2,000,000 options exercisable at 50 cents each expiring on 2 July 2010; and
- 2,000,000 options exercisable at 50 cents each expiring on 2 July 2012.

As stated above, the Issue will result in the Company having on issue up to an additional 28.6 million Options on the terms set out in paragraph 1.3. The Issue will not raise immediate cash funds for the Company as the Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. If all of the Bonus Options that may be issued pursuant to this Prospectus are exercised, the Company will raise additional funds of potentially up to \$5.72 million and assuming all existing options are exercised, could potentially have on issue up to 180.45 million Shares.

Any funds raised by the exercise of Bonus Options will be used as working capital to finance the exploration and development of tenements in the Company's existing portfolio as well as to look for new exploration opportunities and in acquiring proven or producing assets to which the Company can add value through technical enhancements.

2.5 **Risk Factors**

As with all investments, investors should be aware that the market price of securities in the Company may fall as well as rise. The potential returns of the Company will be exposed to risks specific to the Company and to general investment risks. While it is impossible to identify all risks, the attention of investors is drawn to the following particular risks. Prior to exercising the Bonus Options, option holders should carefully consider all risks including the following, as well as other information contained in this Prospectus.

General Market Conditions

The price of the Shares on ASX may rise or fall due to numerous factors including:

- general economic conditions, including inflation rates and interest rates;
- variations in the local and global markets for listed shares in general, or for mining stocks in particular;
- changes to government policy, legislation or regulation;
- competition in the industry in which the Company operates; and
- general operational and business risks.

In particular, the share prices of many companies have in recent times been subject to wide fluctuations, which in many circumstances arise by reason of matters outside the control of the Company, including global hostilities and tensions and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Shares.

There can also be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few, or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares, and the prevailing market price at which shareholders are able to sell their Shares.

The matters set out above may result in Shareholders receiving a price for their Shares that is more or less than the Offer price.

The demand for price of commodities is influenced by a variety of factors including the level of forward selling by producers, costs of production, general economic conditions, the level of inflation, interest rates and exchange rates.

Future Capital Requirements

The Company may require additional capital to fund further exploration/development of its existing or new projects. The Company's ability to raise sufficient further capital within an acceptable time frame and on terms acceptable to it will vary according to a number of factors including (without limitation) the prospects of new projects (if any), the results of exploration and subsequent feasibility studies, stock market and industry conditions and the price of relevant commodities.

Exploration and Development

Exploration by its nature contains elements of significant risk. Ultimate success depends on the discovery of economically recoverable resources, obtaining the necessary titles and governmental regulatory approvals and obtaining and servicing of funding for mining operations if and when a decision to mine is made.

There can be no assurance that the Company's existing projects or any other projects or tenements that the Company may acquire in the future will result in the discovery of significant resources. Even if significant resources are identified, there can be no guarantee that they will be able to be economically exploited.

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns;
- alterations to joint venture programmes and budgets;
- the availability of drilling rigs and other machinery necessary for the Company to undertake its activities;
- unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to existing, and any future access agreements entered into with future registered Aboriginal Land Councils and native title claimants).

Loss of Key Personnel

The Company's success depends on the competencies of its Directors and senior management. The loss of one or more of the Directors or senior management could have a materially adverse effect on the Company's business, financial position and results of operations. The resulting impact from such an event would depend on the quality of any replacement.

Native Title & Aboriginal Heritage

Some of the Company's tenements are located within areas that are the subject of claims or applications for native title determination. The *Native Title Act 1993* (Cth) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain of its exploration areas or to obtain mining production titles. Settling any such claims will incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, the Company is not able to quantify the impact, if any, of such matters on its operations.

Title, Environmental Bonds & Conditions

All mining tenements which the Company may acquire either by application, sale and purchase or farm-in are regulated by applicable state mining legislation. There is no guarantee that applications will be granted as applied for. Various conditions may also be imposed as a condition of grant. In particular, the Company has interests in tenements in the Adelaide Hills region of South Australia, covering areas situated close to private residences. Although the Company has taken every reasonable step to apply for all relevant authorisations at the earliest opportunity, the proximity of the areas covered by the tenements to private residences increases the risk of delay. In addition the relevant minister may need to consent to any transfer of a tenement to the Company.

Environment

The Company's projects are subject to State and Federal laws and regulations regarding environmental matters. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. Resource activities can be environmentally sensitive and can give rise to substantial costs for environmental rehabilitation, damage control and losses. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans altered in a way which could impact adversely on the operations of the Company.

Agreements with Third Parties

The Company is and will be subject to various contracts and agreements with third parties. There is a risk of financial failure or default by a counterparty to these arrangements. Any breach or failure may lead to penalties or termination of the relevant contract. In addition, the Company's interest in the relevant subject matter may be jeopardised.

Regulation of the Uranium Mining Industry

Changes to laws and regulations that apply to the Company from time to time could materially adversely impact the Company's business, financial performance, and ultimately, potential returns to prospective investors.

Some of the Company's tenements have potential for uranium. Uranium mining is subject to regulation by State and Federal governments in relation to a range of matters.

The Australian Labor Party (**ALP**) announced a new policy with respect to uranium around the beginning of 2007, prior to its members being elected to form government. The ALP's policy appears to favour increased exploration for, mining and export of uranium but with more stringent conditions in respect of environmental, health and safety issues.

The ALP stated that these plans were put forward to assist the minerals industry, realise the enormous potential for future economic and employment growth, and ensure that future generations are able to share in the benefits of strong international demand for Australia's natural resources. At the date of this Prospectus, the ALP's policies had not been enacted as legislation.

Further, although governments in South Australia and the Northern Territory have expressed support for an expansion of uranium mining operations, the State governments in Western Australia and Queensland have policies against the development of uranium mines. The Company has interests in properties with potential for uranium in Western Australia.

Even if the Company is successful in locating a uranium resource, there can be no guarantee that the necessary authorisations will be able to be obtained in order for the uranium to be mined and sold.

3. ADDITIONAL INFORMATION

3.1 Interests in securities

The securities of the Company in which Directors have Relevant Interests are:

Director	Shares	Options
R M Kennedy	3,450,000	1,375,000
K J A Wills	3,250,001	1,575,000
G E Maddocks	2,550,001	1,250,000
E J Vickery	235,000	47,640
N J Smart	25,000	512,500

Holders of Shares in which the Directors have Relevant Interests will receive Bonus Options under the terms of this Prospectus.

3.2 Director fees

The Company has paid or agreed to pay annual director fees to the Directors as follows:

Director	Remuneration (inclusive of superannuation) (2006 – 2007 Financial Year)	Remuneration (inclusive of superannuation) (2007 – 2008 Financial Year)
R M Kennedy	\$80,000	\$85,000
K J A Wills	\$1,000 per day	\$125,000
G E Maddocks	\$850 per day	\$895 per day
E J Vickery	\$45,000	\$50,000

3.3 Expenses of the Issue

The total expenses connected with the Issue, including legal and other advisory fees, listing, printing and other miscellaneous expenses are estimated to be approximately \$25,000.

3.4 **Taxation**

The potential tax effects relating to the Issue on the holder of Shares will vary between shareholders. You should satisfy yourself of possible tax consequences by consulting your own professional tax advisers.

3.5 **ASIC Class Order**

The Company relies on ASIC Class Order 00/1092 which exempts it from the requirement that:

3.5.1 this Prospectus include or be accompanied by an application form; and

3.5.2 the Company may only issue Bonus Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

3.6 **Consents**

Computershare Investor Services Pty Ltd has given its written consent and at the date of this Prospectus had not withdrawn its written consent to being named in this Prospectus as share registry (Australia) for the Company in the form and context in which it is named.

Computershare Investor Services Pty Ltd takes no responsibility for any part of this Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Ltd has not caused or authorised the issue of this Prospectus or has in any way been involved in the making of the issue of Bonus Options.

Each Director has consented to the lodgment and issue of this Prospectus.

4. GLOSSARY

In this Prospectus, unless the context otherwise requires:

\$ means Australian dollars (and references to cents are to Australian cents);

Act means *Corporations Act 2001* (Cth);

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691;

ASX Listing Rules means the Listing Rules of ASX Limited;

Bonus Options means the Options to be issued pursuant to this Prospectus;

Company means Maximus Resources Limited ACN 111 977 354;

Directors means the directors of the Company;

Issue means the issue of Bonus Options under this Prospectus;

Listing Rules means the Listing Rules of ASX;

Options means options to acquire Shares;

Prospectus means this document dated 16 January 2008;

Relevant Interest has the meaning given in the Act;

Shareholders means a holder of Shares; and

Shares means fully paid ordinary shares in the capital of the Company.