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The Manager
Companies Announcements Office
Australian Securities Exchange
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ASX ANNOUNCEMENT

CANEGRASS PROSPECT ENCOURAGING IRON-VANADIUM METALLURGICAL RESULTS

HIGHLIGHTS

- Metallurgical results from Maximus' December 2007 RC drilling emphasise the magnetite iron ore and vanadium potential at the Canegrass Iron Ore Prospect in Western Australia.
- Test work on drilling samples from December 2007 highly encouraging with magnetite concentrates grading up to 59% iron.
- Concentrates also contain vanadium pentoxide grades of up to 1.5%.

NARNDÉE PROJECT, WESTERN AUSTRALIA

CANEGRASS IRON ORE PROSPECT

Maximus 100%

The 20 kilometre long Canegrass Magnetite Zone (CMZ) is part of the extensive Windimurra layered mafic complex, which is located 60 km east of Mt Magnet in Western Australia's emerging Midwest Iron Ore Province (Figure 1). Canegrass is immediately west of the Windimurra Vanadium Mine.

Maximus is currently investigating through drilling an exploration target of 1.7 to 3.0 billion tonnes of magnetite rich gabbro containing 20 to 35% magnetite that was described in an ASX announcement dated 9 May 2008. The target size is not a statement of a Mineral Resource as it has been estimated by geophysical modelling. There has not yet been sufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of any Mineral Resource.

December 2007 Drilling – Results of Initial Metallurgical Testwork

Maximus Resources Limited is pleased to announce the receipt of metallurgical testwork results from reconnaissance RC drilling completed at Canegrass in December 2007 (Figure 2).

Metallurgical work undertaken consisted of Davis Tube tests on drill cuttings; a test in which the sample after crushing and grinding is separated into magnetic and non-magnetic fractions. The samples consist of magnetite gabbros – part of the extensive magnetite gabbros in the large Windimurra/Narndee layered basic complex.

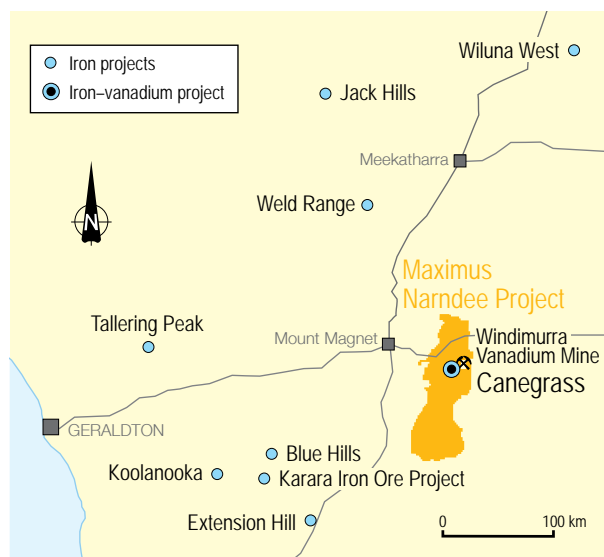


Figure 1 The mid-West Iron ore province showing Canegrass Iron Ore Prospect, Narndee Project, Western Australia.

The magnetic fractions in all but two samples ranged between 37 and 55 in weight percent (average for the 13 samples, 46%) and analysed iron contents of those fractions reached a maximum of 59% Fe (Table 1). Vanadium pentoxide values appear to closely follow the iron and results as high as 1.5% were recorded. These initial tests confirm the possibility of separating a magnetic fraction from rocks within the Canegrass Magnetic Zone that may contain over 55% iron and $\pm 1\%$ vanadium pentoxide.

Table 1: Canegrass - Analysis of Magnetic Fraction for Selected Holes/ Specific Intervals of Magnetite Gabbro.

Sample	Interval Downhole (metres)	% Magnetic Fraction	% Fe (of Magnetic Fraction)	% TiO ₂ (of Magnetic Fraction)	% V ₂ O ₅ (of Magnetic Fraction)
MNRC0006	67-68	4.65	ISA ¹		
MNRC0007	56-57	54.20	57.37	13.23	1.33
MNRC0012	64-65	14.35	55.82	18.26	0.80
MNRC0012	65-66	55.30	54.33	19.19	0.65
MNRC0012	66-67	43.05	53.76	19.24	0.73
MNRC0012	67-68	47.65	55.65	18.93	0.65
MNRC0012	68-69	37.15	54.43	19.34	0.72
MNRC0016	16-17	44.00	58.25	12.87	1.46
MNRC0016	17-18	43.90	58.38	12.99	1.45
MNRC0016	18-19	38.85	58.50	12.74	1.44
MNRC0016	19-20	48.30	58.87	12.51	1.46
MNRC0017	24-25	43.75	59.35	11.52	1.47
MNRC0017	25-26	48.80	59.35	11.50	1.50
MNRC0017	26-27	44.60	58.92	11.67	1.54
MNRC0017	27-28	45.15	58.01	11.60	1.50
CGD-1 ²	46-47	NA ³	57.2	12.6	1.05

Notes 1: ISA – Insufficient Sample for Analysis; 2: Drill hole completed by WMC Resources Limited in 1980; 3: NA – Data not available

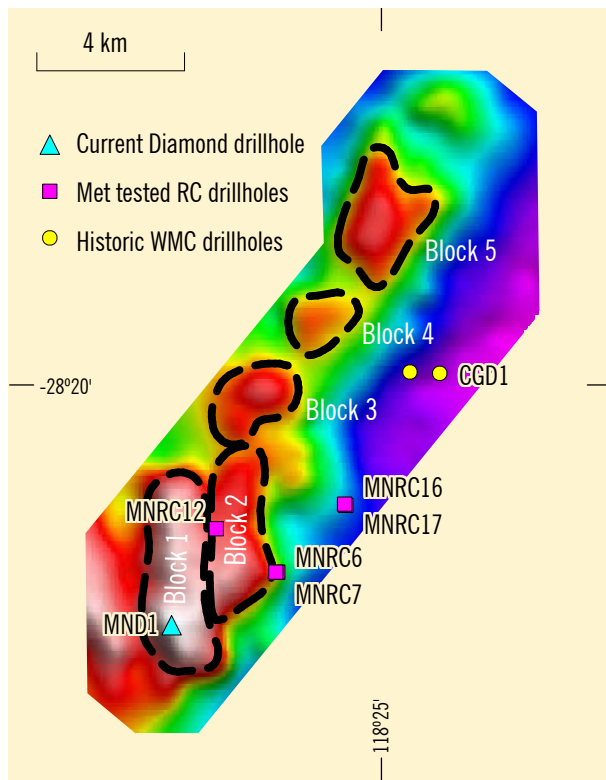


Figure 2 Current Diamond drillhole and previous drilling, shown on a gravity image of the Canegrass Magnetite Zone.

These magnetic fraction results are similar to the preliminary test work previously undertaken by WMC Resources Limited in 1980 on fresh core from drill hole CGD-1 (Figure 2). Their Davis Tube test analytical results show the iron and vanadium pentoxide contents reached 57% and 1%, respectively (Table 1).

These values imply that magnetite-bearing gabbro can be used to magnetically separate a product that yields potentially commercial iron and vanadium grades.

Maximus considers that the initial metallurgical testwork completed in this program complements the wider scoped drilling programs aimed at investigating the previously announced exploration target for the Canegrass prospect

Forward Program

As announced to the ASX on 28 May 2008, Maximus will be commencing a reverse circulation drilling program involving at least 5000 metres of drilling on traverses across the Canegrass prospect.

Maximus will continue to conduct analytical and metallurgical testing from drilling samples received during this program and will report on these results as they are obtained.

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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, an employee of Maximus who is a fellow of the Australasian Institute of Mining and Metallurgy. He has more than five years of 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 a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".