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The Manager
Companies Announcements Office
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ASX ANNOUNCEMENT

SECOND GOLD PLANT COMMENCES TRIAL PRODUCTION AT SELLHEIM

HIGHLIGHTS

- *Additional refurbished scrubber-trommel plant commenced trial production.*
- *Higher than expected grades continue to be located.*
- *Website marketing of first batch of 81 gold nuggets to commence in early November.*
- *First shipment of gold has been sent for refining and will produce the company's maiden gold income.*

Introduction

The Sellheim alluvial gold operations are located about 150 kilometres southeast of Charters Towers in Queensland's Drummond Basin (Figure 1). The project was recently visited by Maximus' Managing Director to examine the progress of trial production and to discuss plans for increasing future production.

First Gold Sales

Trial production has been underway since early October and the first shipment of gold was dispatched from Townsville to the refinery in Perth on 22 October. Maximus is expecting to receive its first income from the sale of the refined gold in late October.

Second Treatment Plant

A hired scrubber-trommel-sluice gold plant has been refurbished and set up near the first plant (Figure 2). The aim of the trialling is to determine if the more vigorous treatment results in better disaggregation of the clay

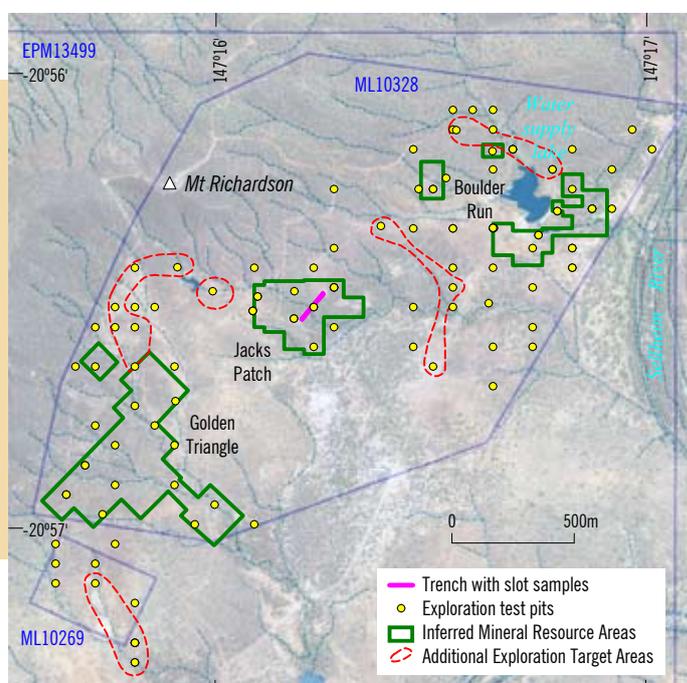


Figure 1 Location of trial mining and Inferred Mineral Resource at the Sellheim Gold Project.

rich types of ore — leading to better gold recovery. Initial inspection suggests that this will be the case and that any large new plant for full-scale production will incorporate a larger scrubber-trommel.

Recent Treatment

The high grades reported in early treatment have continued. Recovered grades in recent bulk samples have varied between 0.45 and 3.15 grams per bcm (bulk cubic metre) in samples between 63 and 220 bcm in size. Total treated is 2,603 bcm at a recovered grade of 1.3 grams per bcm.

At the high recent gold price in Australian dollar terms, Maximus is confident of robust commercial returns when a larger plant of 70-100 bcm / hr is established.



Figure 2 The refurbished scrubber-trommel plant operating at Sellheim.

Latest Nuggets

A high proportion of the recovered gold continues to consist of pure gold nuggets. Many of these are located in the plus 10 mm oversize from the plant. This oversize is spread out in a thin layer over the ground and nuggets located by metal detecting as illustrated in Figure 3.

Sellheim production appears to provide a consistent source of attractive gold nuggets with interesting textures. It is anticipated that this regular supply will enable Maximus to commence website marketing of nuggets in early November. To date a total of 81 nuggets between 1 gram and 92 grams (almost 3 ounces) have been selected.



Figure 3 Kevin Wills metal detecting for gold nuggets in the plant oversize — flanked by Sellheim manager Peter Harvey.



Figure 4a SN(Sellheim Nugget)36 –14.0gm.

Some of the smaller attractive nuggets are being paired for sale as natural nugget earrings. Photos of recently located nuggets are shown in Figures 4a to 4d.

Forward Program

Negotiations for a compensation agreement have been held with the pastoral leasee. It is anticipated that approval of the new work program will be received in November.

Trial production is planned to continue during November with the two plants treating at a combined rate of 25 bcm per hour. This will establish which treatment method is most effective at handling different ore types. An independent specialist consultant from New Zealand will undertake a site visit in November to help with the design of the full-scale plant expected to treat 70-100 bcm per hour.



Dr Kevin Wills

Managing Director

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Figure 4b SN22 – Ribbon Gold.



Figure 4c SN000 – 92gm, at nearly 3 ounces, the largest nugget recovered at Sellheim by Maximus to date.



Figure 4d SN35 – 30gm.

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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".