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The Manager  
Companies Announcements Office  
Australian Securities Exchange  
20 Bridge Street SYDNEY NSW 2000



## ASX ANNOUNCEMENT SELLHEIM GOLD – RIGHTS ISSUE UPDATE

### HIGHLIGHTS

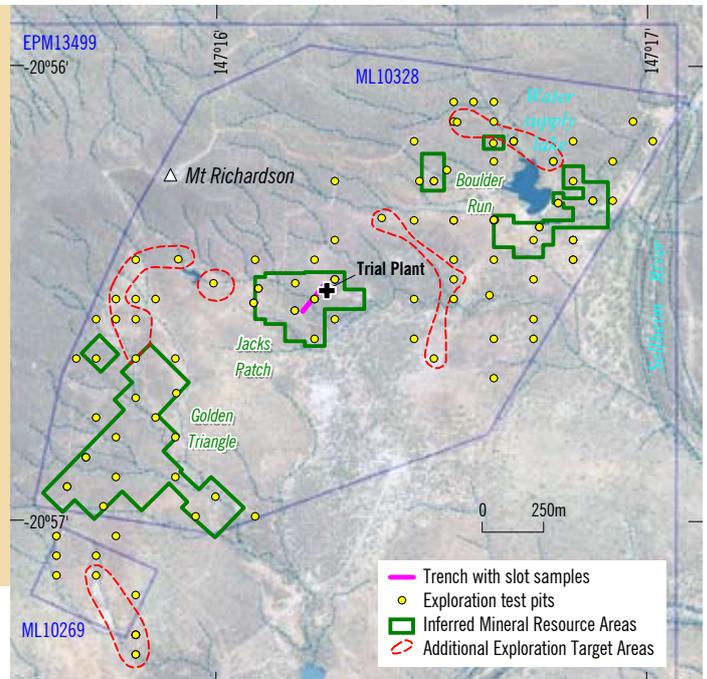
- *Trial production continues with potentially economic grades and a high proportion of Gold Nuggets.*
- *Recent treatment suggests a larger scrubber-trommel plant will be necessary to optimise the operation.*
- *A presentation for a Rights Issue Road Show has been released.*
- *Gold Nugget marketing to commence on Maximus' website in the week beginning 17 November 2008.*

### Introduction

The Sellheim alluvial gold operation is located about 150 kilometres southeast of Charters Towers in Queensland's Drummond Basin. The project has recently passed through the exploration and pre-production phases, which have confirmed the presence of potentially economic bulk grades, and is now in trial production to determine which type of alluvial plant will maximise profitability during full scale-production. The first income from Sellheim production was received on 3 November 2008.

### Trial Production

Trial production has continued with two plants since 27 October (Figure 1). Bulk grades of samples treated have continued to be encouraging at 0.9 to 1.23 g/bcm (grams per bank cubic metre). Gold recovered remains coarse with a high proportion of nuggets and little



**Figure 1** Location of trial production and Inferred Resources at the Sellheim Gold Project.

fine gold. This suggests the source of the gold is close. Checks have been made on the tailings to look for lost fine gold, but so far no significant amounts have been found.

The mine manager has recently reported: "We are following a series of channels that are producing mainly coarse gold with a lot of small nuggets. We are working both the scrubber-trommel and the screening and Knelson plant with the scrubber-trommel giving a cleaner oversize and a smaller fraction of material being lost in the oversize. Also, we don't have a problem of clay balling up like we do with the screening and Knelson plant". This suggests that a larger

scrubber-trommel plant will be the preferred design for full scale production.

It is intended that the trial production phase will continue to early December when activities will convert to implementation of new mine infrastructure, such as water supplies, and the construction of the new plant. The plant under consideration, capable of treating over 100 bcm/hr will produce significantly more gold and gold nuggets at a much lower operating cost per ounce. It is anticipated that the operation will be built during the wet season and be operational early in 2009. Due to the vagaries of access during the wet season, it is not possible to say exactly when the new plant will be operational.

### Rights Issue

Maximus is currently undertaking a one for two Rights Issue at 5 cents per share, with one attaching 10 cent option exercisable prior to 29 May 2009. The issue can raise up to \$3.8 million, if fully subscribed, and is open between 13 and 27 November 2008. The main use of funds from this raising is to build the plant and associated infrastructure at Sellheim. Maximus is currently carrying out a broker road show using the presentation released Monday morning. Apart from development of Sellheim the other uses of funds are for the Adelaide Hills gold project in South Australia and the Canegrass magnetite iron ore project in Western Australia.

### Gold Nugget Marketing

Maximus is close to commencing sales of Sellheim gold nuggets through its website. Commencement is planned during the week beginning 17 November 2008. In the first month of trial production about 65 high-quality gold nuggets in the range of 5 to 92 grams were located. Sellheim produces a variety of attractive gold nuggets of different sizes, shapes and textures. Nuggets will be photographed and displayed on the new website with their weight and sale price. Customers will be able to make purchases by completing a downloadable application form and making an EFT or credit card payment. Shareholders will receive a 10% discount to the advertised sale price.

### Recent Nugget Find

The proportion of quality gold nuggets located in the plant oversize remains high. A recent find was a 138 gram (4.4 ounce) nugget, which is the largest discovered by Maximus at Sellheim to date. Three photos of this nugget are shown in Figure 2a, b and c. Given the small scale of trial production to date, it is likely that more and larger nuggets will be consistently produced during full scale production. This will underpin Maximus' nugget sales on a long term basis.



Figure 2a, b and c Recently located 4.4 ounce gold nugget from Sellheim.

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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".