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



ASX ANNOUNCEMENT

SIGNIFICANT GOLD PRODUCTION INCREASE EXPECTED FROM SELLHEIM STAGE 3 PLANT

HIGHLIGHTS

- *\$1.5 million treatment plant will be capable of producing up to 45 ounces of gold bullion per day at the Sellheim alluvial gold project in northeast Queensland*
- *Stage 3 Feasibility Study nearing completion and comprehensive Mine Plan under development*
- *Revised Inferred and Indicated Resources and Probable Reserve expected at key Jack's Patch gold field*

Project Background

The Sellheim alluvial gold operation is located about 150 kilometres southeast of Charters Towers in northeast Queensland (Figure 1). In 2008, Maximus Resources Limited (MXR) moved through exploration to trial gold production as described in an ASX Announcement dated 24 December 2008. After a brief Christmas break, the trial production plant has been reconfigured to improve throughput and recovery.

Work has been carried out on the reconciliation of trial production data with previously estimated Inferred Resources. This work is ongoing and is expected to lead to a new classification of both Inferred and Indicated Resources at Jack's Patch. After the application of mining parameters, a Probable Reserve will also be defined to forecast production schedules at Jack's Patch.



Figure 1 Sellheim regional location map.

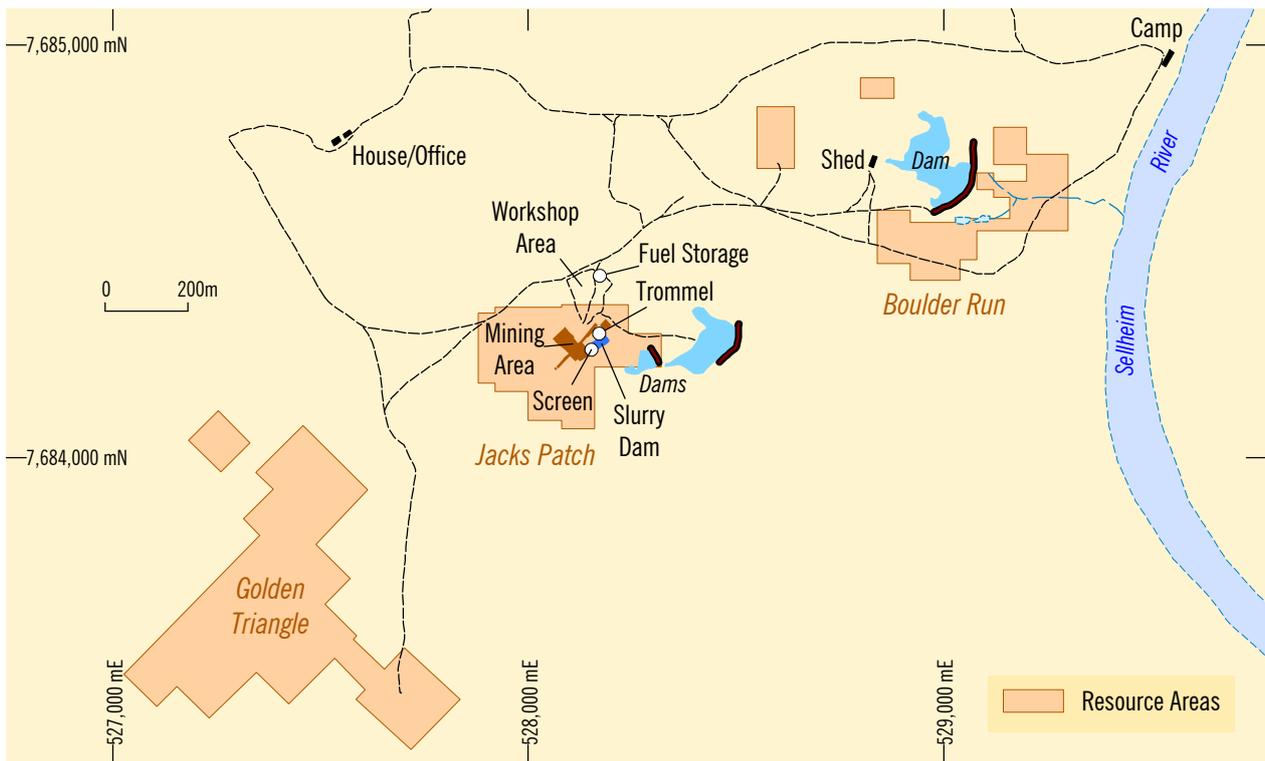


Figure 2 Sellheim alluvial gold project layout.

Trial Production to Continue

Maximus has decided to continue trial production, although at a gradually increasing rate, until the Stage 3 plant is constructed and operating during the second quarter of 2009. This will enable retention of the current skilled workforce and generation of revenue during the construction process. The current phase of the operation has been termed Stage 2B, where the feed has been diverted directly from the trommel outflow into the vibrating screen and then into the Knelson Concentrator. Another improvement, to be called Stage 2C, will involve termination of the use of the screening plant and incorporation of an In line Pressure Jig (IPJ), which will further improve recovery and throughput.

Mine Planning Issues

A plan of the current mine site is shown in Figure 2. Ore is being mined from the centre of the Jack's Patch deposit and treated with water from a nearby dam supplemented by water from a water bore drilled and equipped by MXR in 2008. Ore is being mined from 20 by 10 metre sized blocks, which, after removal of overburden, varies from 100 to 300 bcm (bank cubic metres) per block. As the plant is located within 100 metres of the mining blocks, ore is transported directly to the

plant by front end loader. This avoids loading of trucks and haulage to the plant. In the Mine Plan, the plant will be moved to convenient sites located about 200 metres apart to continue to avoid loading and hauling of ore. The future Mine Plan will outline mining blocks, access tracks, plant locations, slurry dam locations, water supplies, pipelines and rehabilitation areas.

Description of Stage 3 Plant

A flowsheet for the recently designed Stage 3 plant is shown in Figure 3, with a plan view of the layout shown in Figure 4. The plant has two separate functions, initially a feed preparation circuit followed by a gold recovery circuit. The feed preparation circuit is designed to disaggregate the ore so that any dense gold particles can be easily separated. This is principally achieved by a large scrubber trommel, which has a feed throughput of initially 80, then 100 and later possibly 120 bcm/hour. The scrubber trommel is essentially a large rotating drum which initially breaks down the alluvial ore to individual particles and then becomes a rotating screen that allows the disaggregated ore to pass into a feed pump which further breaks down the ore into a fine slurry.

In the recovery plant circuit, the slurry passes into two in-line pressure jigs which separate the low

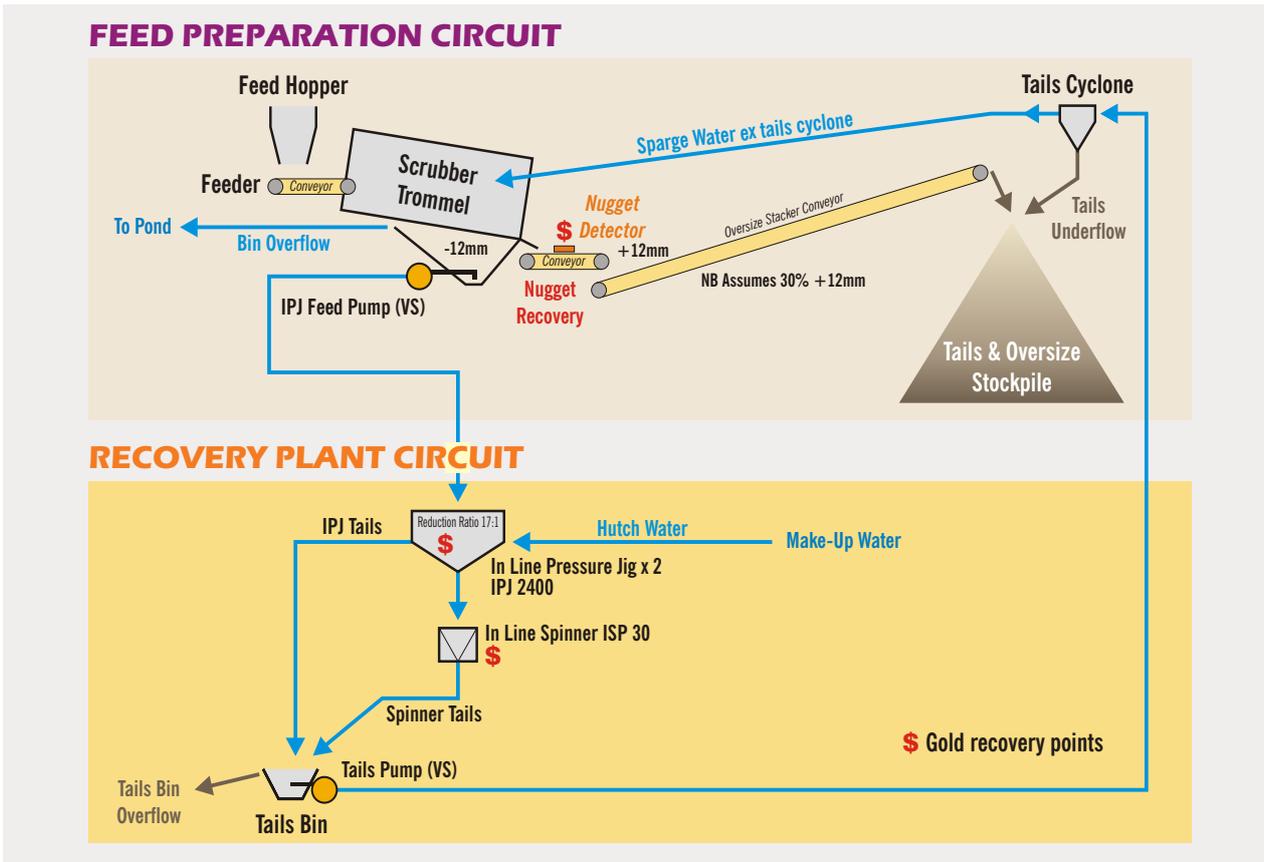


Figure 3 Sellheim schematic stage 3 plant flowsheet.

density tailings from the high density material including the gold. The main feed passes into an in-line centrifugal gold spinner concentrator. This is periodically cleaned out and the concentrate further concentrated by Wilfey and Gemini tabling. Finally the concentrate is smelted in a furnace to produce bars of gold bullion. Gold bullion is a term applied generally to a mixture of gold and silver that is sent for further separation at a refinery in Perth, Western Australia. Bullion from Sellheim has been found to contain about 92-95% gold and 5-8% silver.

Gold Nugget Recovery

To date, gold nugget recovery has either been from the plant or by metal detecting of the plant oversize after spreading it out over a flat area. This method may have resulted in some nugget loss so, in the Stage 3 plant, a metal detector will be installed at the end of the oversize conveyor belt (Figures 3 & 4). Any gold nuggets passing by will trigger a temporary rerouting of feed into a secure storage bin from which nuggets will be carefully recovered. This method is expected to lead to higher nugget recoveries and be less time consuming as production rates are increased.

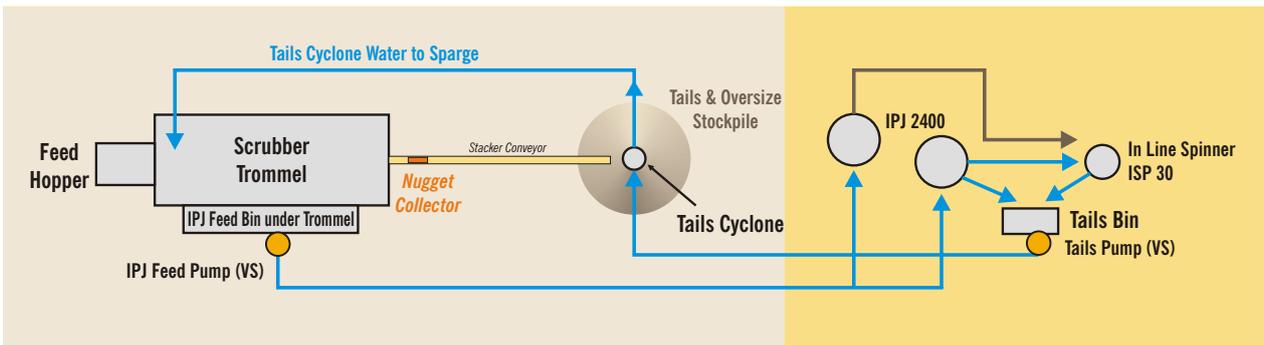


Figure 4 Sellheim schematic plant layout.

Capital Cost and Production Capability

Components for the Stage 3 plant have been sourced in Australia and there are currently no major delays in purchasing and transporting them to an assembly site in Townsville or Bowen before transport to the mine site. Apart from the new plant, the Mine Plan will require the addition of another truck and a second and larger excavator and front end loader to supplement MXR's existing mining equipment. Maximus will use the existing equipment to carry out a peripheral mining operation, through which the outer parts of the orebodies are separately mined and trucked to the treatment plant.

The capital cost of the expanded operation is currently estimated at about \$1.5 million, which is being raised by sale of shortfall shares in Maximus' recent rights issue. When constructed and in full production on typical Sellheim ore, the new plant is expected to produce about 22.5 ounces of gold bullion in a 12-hour shift and 45 ounces per day when run as a 24-hour operation.

Forward Program

Maximus' short term priority is to move to Stage 2C production as soon as possible. This can be achieved in a matter of weeks. Construction of Stage 3 is likely to take 2-3 months after sufficient capital has been raised. Exact timing is difficult to predict due to the construction period occurring during the wet season. Maximus is currently planning to be in full production during the second quarter of 2009. Once Stage 3 production has commenced, Maximus will turn its attention to an assessment of its Exploration Targets (ASX Release, 24 December 2008) in an expectation of extending the mine life and/or locating sufficient resources to further expand production through the construction of a second treatment plant.



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Competent Person Statement

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".