



9 December 2011

Dear Shareholder

## **NARDEE PROJECT UPDATE AND ANNOUNCEMENT OF RIGHTS ISSUE**

Maximus Resources Limited (**ASX: MXR; the "Company"**) is pleased to announce a 1 for 1 non renounceable rights issue at \$0.005 per share to raise approximately \$1.926 million (before costs) (**Rights Issue**) to progress its highly prospective poly-metallic Nardeed Project in Western Australia.

As highlighted in previous announcements, the Nardeed Project has identified several very encouraging results including:

- a potential massive sulphide structure with similar geology to Minmetal's Golden Grove poly metallic mine located west of the project;
- the first two high priority targets from the ground gravity survey conducted in October containing coincident EM and gravity anomalies indicating the potential for massive sulphide bodies;
- historic drill results containing anomalous zinc grades; and
- a stream of highly prospective future targets in the region.

Work approval for the Nardeed Project is being finalised with the WA authorities for a reverse circulation drilling program to commence. Once a rig has been secured for the project and sufficient funding from the Rights Issue has been received, follow-up drill testing of these exciting targets can commence.

The aim of the drill program is to test the highest priority targets identified during previous MXR exploration activities and confirm the presence and depth of anomalies believed to be massive sulphide bodies, with similar geology and alteration to the major Golden Grove copper zinc mine located 120km west of the tenement. Historical drilling records show anomalous combined metal grades, including zinc in drill holes at a depth of 90 metres. Recent geophysics indicated that the massive sulphides commence at approximately 150 – 200 metres below the surface.

Under the Rights Issue, existing shareholders will be offered the opportunity to purchase one (1) new share for every one (1) share held by them as at the record date of 20 December 2011 at an issue price of \$0.005 per share. The Rights Issue price reflects a 39% discount to the 1 month closing volume weighted average price of the Company's shares.

The Company will apply to ASX for official quotation of the shares issued pursuant to the Rights Issue. Based on the Company's current issued capital, the maximum number of shares that may be issued under the Rights Issue is 385,291,923.

The funds raised from the Rights Issue will be used to fund further exploration of the Nardeed Project and for general working capital purposes.

Commenting on the Narndee Project and the rights issue, MXR Chairman, Mr Bob Kennedy said: "Maximus has invested a significant amount of its exploration budget on the Windimurra / Narndee complex which has resulted in the identification of these targets and this issue provides shareholders with the opportunity to position themselves in the event of a significant discovery which would have a positive effect on the company's share price."

The proposed timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue and Lodgement of Appendix 3B	Friday, 9 December 2011
Lodgement of prospectus with ASX. Notice sent to option holders	Monday, 12 December 2011
Notice sent to Shareholders	Tuesday, 13 December 2011
'Ex' Date	Wednesday, 14 December 2011
Record Date for determining Shareholders	Tuesday, 20 December 2011
Dispatch of Prospectus and Entitlement & Acceptance Forms to Shareholders, Rights Issue opens	Tuesday, 28 December 2011
Closing Date	Tuesday, 17 January 2012
Notify ASX of under-subscriptions	Friday, 20 January 2012
Allotment and dispatch date for holding statements	Wednesday, 25 January 2012
New shares commence trading on ASX	27 January 2012

There will be no deferred settlement trading.

Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new securities. These dates are indicative only.

All of the directors of the Company have indicated that they intend to take up entitlements under the Rights Issue. In addition to taking up their entitlements, the directors of the Company have agreed to partially underwrite the Rights Issue up to a maximum aggregate number of 10,818,853 ordinary shares. The directors who are partially underwriting the Rights Issue will receive no fees in relation to any underwritten shares.

The Company has decided that it is unreasonable to make the offer to shareholders who have a registered address in a country outside of Australia or New Zealand, having regard to the number of shareholders in such places, the number and value of the new shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

Existing option holders will need to exercise their options and be a registered holder of shares on 20 December 2011 if they wish to receive an entitlement to participate in the Rights Issue.

If after the Closing Date all allotted shares have not been subscribed for by eligible shareholders, the Board of the Company at their discretion will endeavour to place any shortfall shares with shareholders, institutions and other prospective investors. Provision will be made for eligible shareholders to make application for additional shares beyond their entitlement on the Entitlement and Acceptance Form, which is expected to be dispatched on 28 December 2011.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'K. Malaxos', with a long, sweeping flourish extending to the right.

**Mr Kevin Malaxos**

**Managing Director  
MAXIMUS RESOURCES LIMITED**

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Kevin Malaxos who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM), and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This announcement is issued in the form and context in which it appears with the written consent of the Competent Person, who is the Managing Director of the Company.