



**Maximus Resources Limited**

ABN 74 111 977 354

**Financial report**

**for the Half-Year ended 31 December 2011**

**Maximus Resources Limited ABN 74 111 977 354**  
**Financial report - 31 December 2011**

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These financial statements cover the consolidated financial statements for the consolidated entity consisting of Maximus Resources Limited and its subsidiaries. The financial statements are presented in the Australia currency.

Maximus Resources Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Maximus Resources Limited  
Level 3  
100 Pirie Street  
Adelaide  
SA 5000

Registered postal address is:

Maximus Resources Limited  
PO Box 3126  
Norwood  
SA 5067

The financial statements were authorised for issue by the directors on 6 March 2012. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: [www.maximusresources.com](http://www.maximusresources.com)

## Directors' report

Your Directors present their report on the consolidated entity consisting of Maximus Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

### Directors

The following persons were Directors of Maximus Resources Limited during the whole of the half-year and up to the date of this report:

Robert Michael Kennedy (Chairman)  
Kevin John Malaxos (Managing Director)  
Ewan John Vickery (Non-Executive Director)  
Leigh Carol McClusky (Non-Executive Director)  
Nicholas John Smart (Alternate for E J Vickery)

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Review of Operations

The 2011/12 financial year commenced with a significant milestone achieved in July, that being completion of the detailed review of the Narndee tenements in Western Australia. This review included detailed analysis of the data received from the aerial Electromagnetic (aTEM) survey undertaken by Maximus in 2009 and identified 18 high quality exploration targets across several tenements. The 18 targets will be the focus of our exploration efforts for the remainder of the year, with the first follow-up ground gravity survey conducted on two targets in October 2011. This survey produced very encouraging results on both targets tested and resulted in a decision to drill test both locations as soon as all approvals are in place. A program of works was submitted to the Department of Minerals and Petroleum (DMP) in Perth and requests for quotations and availability of drill equipment dispatched. Drilling is planned to commence in April 2012.

The Adelaide Hills tenements remain a core asset for the Company, in particular the Lobethal tenement containing the Bird in Hand gold deposit and the Mount Pleasant tenement containing the Deloraine and Cromer prospects. The Adelaide Hills tenement holding will undergo a detailed review, similar to that conducted on the Narndee tenements to identify the core assets to be retained by Maximus, and all options investigated for the remainder of the extensive tenement holding. No exploration activities were conducted on the Adelaide Hills tenements during the half year to December 2011, due to the focus being maintained on the Narndee tenements.

The Sellheim Alluvial gold project was placed on care and maintenance during November 2011 following continued excessive rainfall in the region, equipment failures and inconsistent recovery of gold. Discussions have been held with interested parties to acquire the project and these negotiations continued throughout the period, with no decision finalized.

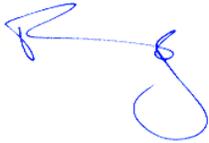
During the half year Maximus completed a 1-for-3 non-renounceable rights issue. The rights issue closed on 16 August 2011 and 43,243,217 ordinary shares were issued raising funds of \$432,432.

Subsequent to balance date Maximus completed a 1-for-1 non-renounceable rights issue. The rights issue closed on 31 January 2012 resulting in 384,999,802 ordinary shares were issued raising funds of \$1.92 million.

**Auditors Independence Declaration**

The lead Auditor's independence declaration for the year ended 31 December 2011 has been received and can be found on page 3.

Dated at Adelaide this 6<sup>th</sup> day of March 2012 and signed in accordance with a resolution of the Directors.



Robert M Kennedy

Director

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MAXIMUS RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Maximus Resources Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



P S Paterson  
Partner

Adelaide, 6 March 2012

**Maximus Resources Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2011**

	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
<b>Revenue from continuing operations</b>	234,174	1,058,554
Other Income	14,531	-
Cost of Goods Sold	(496,819)	(2,391,857)
Marketing Expense	(11,188)	(113,800)
Administration Expense	(491,458)	(582,988)
Finance Costs	(974)	(1,653)
Impairment of exploration assets	(509,159)	(8,557,126)
Amortisation & Impairment of development assets	(23,358)	(478,181)
<b>(Loss) before income tax</b>	(1,284,251)	(11,067,051)
Income tax (expense)/benefit	199,966	(31,596)
(loss) from continuing operations	(1,084,285)	(11,098,647)
<b>(Loss) for the half-year</b>	(1,084,285)	(11,098,647)
Other comprehensive income	(446,571)	-
<b>Total comprehensive loss for the half-year</b>	(1,530,856)	(11,098,647)
(Loss) is attributable to:		
Total comprehensive income for the half year is attributable to:		
Owners of Maximus Resources Limited	(1,530,856)	(4,393,964)
Non-Controlling Interest	-	(6,704,683)
	(1,530,856)	(11,098,647)
	Cents	Cents
<b>Earnings per share for (loss) from continuing operations attributable to ordinary equity holders of the parent entity</b>		
Basic earnings per share	(0.29)	(4.14)
Diluted earnings per share	(0.29)	(4.14)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Maximus Resources Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2011**

	31 December 2011	30 June 2011
Notes	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash equivalents	37,573	74,038
Trade and other receivables	222,474	509,207
Other current assets	99,068	122,457
<b>Total current assets</b>	<b>359,115</b>	<b>705,702</b>
<b>Non-current assets</b>		
Property, Plant and Equipment	523,904	637,087
Exploration and evaluation assets	14,677,563	14,491,983
Development assets	350,000	373,358
Available for Sale Assets	624,500	1,071,071
<b>Total Non-current assets</b>	<b>16,175,967</b>	<b>16,573,499</b>
<b>Total Assets</b>	<b>16,535,082</b>	<b>17,279,201</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	492,907	174,662
Provisions	17,978	18,297
<b>Total current liabilities</b>	<b>510,885</b>	<b>192,959</b>
<b>Non-current liabilities</b>		
Provisions	10,570	6,308
<b>Total non-current liabilities</b>	<b>10,570</b>	<b>6,308</b>
<b>Total liabilities</b>	<b>521,455</b>	<b>199,267</b>
<b>Net Assets</b>	<b>16,013,627</b>	<b>17,079,934</b>
<b>EQUITY</b>		
Contributed equity	4 33,127,259	32,694,827
Reserves	5 (449,017)	(34,563)
Retained losses	(16,664,615)	(15,580,330)
<b>Total Equity</b>	<b>16,013,627</b>	<b>17,079,934</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Maximus Resources Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2011**

<b>Consolidated</b>		<b>Issued Capital</b>	<b>Reserves</b>	<b>Retained Losses</b>	<b>Non- controlling interest</b>	<b>Total Equity</b>
	Notes	\$	\$	\$	\$	\$
Balance at 1 July 2010		31,373,928	1,319,605	(17,449,350)	8,860,946	24,105,129
<b>Total Comprehensive income for the half-year as reported in the 2010 financial statement</b>						
Profit/(Loss) for the period		-	-	(4,393,964)	(6,704,683)	(11,098,647)
<b>Transactions with owners in their capacity as owners</b>						
Contributions of equity		666,162	-	-	450,000	1,116,162
Transaction costs (net of tax)		(47,810)	-	-	(18,903)	(66,713)
Movements in non-controlling interest		-	(16,121)	228,566	(212,445)	-
		<u>618,352</u>	<u>(16,121)</u>	<u>228,566</u>	<u>218,652</u>	<u>1,049,449</u>
Balance at 31 December 2010		<u>31,992,280</u>	<u>1,303,484</u>	<u>(21,614,748)</u>	<u>2,374,915</u>	<u>14,055,931</u>
<b>Consolidated</b>		<b>Issued Capital</b>	<b>Reserves</b>	<b>Retained Losses</b>	<b>Non- controlling interest</b>	<b>Total Equity</b>
	Notes	\$	\$	\$	\$	\$
Balance at 1 July 2011		32,694,827	(34,563)	(15,580,330)	-	17,079,934
<b>Total Comprehensive income for the half-year as reported in the 2011 financial statement</b>						
Profit/(Loss) for the period		-	(446,571)	(1,084,285)	-	(1,530,856)
<b>Transactions with owners in their capacity as owners</b>						
Contributions of equity	4	432,432	-	-	-	432,432
Incentive rights		-	32,117	-	-	32,117
		<u>432,432</u>	<u>32,117</u>	<u>-</u>	<u>-</u>	<u>464,549</u>
Balance at 31 December 2011		<u>33,127,259</u>	<u>(449,017)</u>	<u>(16,664,615)</u>	<u>-</u>	<u>16,013,627</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Maximus Resources Limited**  
**Consolidated statement of cash flow**  
**For the half-year ended 31 December 2011**

	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Cash flows from operating activities</b>		
Interest received	2,031	41,076
Receipts from operating activities	246,674	570,960
Tax receipts received	-	594,512
Payments to suppliers and employees	(382,541)	(1,789,417)
<b>Net cash (outflows)/inflows from operating activities</b>	<u>(133,836)</u>	<u>(582,869)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,290)	(10,336)
Payments for exploration and evaluation	(363,771)	(1,097,498)
Payments of loans to related entities	-	150,000
<b>Net cash (outflows)/inflows from investing activities</b>	<u>(365,061)</u>	<u>957,834</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and other equity securities	432,432	1,116,162
Proceeds from related loans	30,000	-
Payments of issue costs	-	(95,301)
<b>Net cash inflows/(outflows) from financing activities</b>	<u>462,432</u>	<u>1,020,861</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(36,465)	(519,842)
Cash and cash equivalents at the beginning of the half year	74,038	1,696,836
<b>Cash and cash equivalents at the end of the half year</b>	<u>37,573</u>	<u>1,176,994</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Summary of significant accounting policies

### Basis of preparation of half-year financial report

#### Reporting entity

Maximus Resources Limited (the “Company”) is a company domiciled in Australia. The consolidated financial report of the Company as at and for the half year ended 31 December 2011 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”) and the consolidated entity’s interests in associates and jointly controlled entities.

The consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2011 is available upon request from the Company’s registered office at Level 3, 100 Pirie Street Adelaide SA 5000 or at [www.maximusresources.com.au](http://www.maximusresources.com.au).

#### Statement of compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that for this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Maximus Resources Limited and its controlled entities during the half-year in accordance with continuous requirements arising under the Corporations Act 2001.

The accounting policies applied by the entities in the consolidated group in this half-year financial report are consistent with those applied by the consolidated financial report for the year ended 30 June 2011.

The half-year report does not include full disclosures of the type normally included in an annual report.

#### Reporting Basis and Conventions

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group’s circumstances since the last annual financial statement. The Group’s interim financial statements as of 31 December 2011 reflect these amended disclosures requirements, where applicable.

## 2 Segment information

### (a) Description of segments

#### Identification of reportable segments

Maximus Resources Limited has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Maximus Resources Limited is managed primarily on the basis of geographical area of interest, since the diversification of Maximus Resources Limited operations' inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with the respect to the following:

- External regulatory requirements
- Geographical and geological styles

#### Mining

The Sellheim segment is an alluvial gold site. Further listed segmented assets for Maximus Resources Limited including development costs and costs associated with the mining lease are reported on this segment.

#### Accounting policies developed

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Maximus Resources Limited.

**2 Segment information - Continued**

**(b) Business segments**

Period ending 31 December 2011	Sellheim	Adelaide Hills Province	Narndee	Other	ERO Mining	Total
	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>	234,174	-	-	-	-	234,174
<b>Adjusted EBITDA</b>	(193,081)	-	-	(509,159)	-	(702,240)
Cost of goods Sold	(496,819)	-	-	-	-	(496,819)
Amortisation	(23,358)	-	-	-	-	(23,358)
Impairment	-	-	-	(509,159)	-	(509,159)
<b>Segment assets for the period ending 31 December 2011</b>						
<b>Total</b>	350,000	8,135,655	5,769,227	772,681	-	15,027,563
<b>Segment asset movements for the period</b>						
Capital expenditure	-	67,014	118,059	509,666	-	694,739
Amortisation	(23,358)	-	-	-	-	(23,358)
Impairment	-	-	-	(509,159)	-	(509,159)
<b>Total Movement for the year</b>	(23,358)	67,014	118,059	507	-	162,222
<b>Total Segment assets</b>	-	-	-	-	-	15,027,563
Unallocated assets	-	-	-	-	-	1,507,519
<b>Total assets</b>	-	-	-	-	-	16,535,082

**2 Segment information - Continued**

**(b) Business segments**

Period ending 31 December 2010	Sellheim	Adelaide Hills Province	Narndee	Other	ERO Mining	Total
	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>	324,422	-	-	500,000	196,538	1,016,960
<b>Adjusted EBITDA</b>	(1,350,560)	-	-	(142,531)	(8,829,608)	(10,322,699)
Cost of goods Sold	(1,054,538)	-	-	-	(468,625)	(1,523,163)
Amortisation	(620,444)	-	-	-	(248,250)	(868,694)
Impairment	-	-	-	(642,531)	(8,309,271)	(8,951,802)
<b>Segment assets for the period ending 30 June 2011</b>	373,358	8,068,641	5,651,168	772,174	-	14,865,341
<b>Total</b>	373,358	8,068,641	5,651,168	772,174	-	14,865,341
<b>Segment asset movements for the period</b>						
Capital expenditure	(17,143)	1,137,462	415,426	142,356	401,161	2,079,262
Amortisation	(905,624)	-	-	-	(248,250)	(1,153,874)
Adjustment to exploration assets upon loss of control of subsidiary	-	-	-	-	5,495,760	5,495,760
Loss of development assets upon loss of control of subsidiary	-	-	-	-	(1,600,000)	(1,600,000)
Disposals	-	-	-	(450,000)	-	(450,000)
Capital expenditure impaired	(302,982)	-	-	(916,233)	(7,863,137)	(9,082,352)
Impairment of development assets	(197,018)	-	-	-	(478,181)	(675,199)
Movement in gold inventory	(70,239)	-	-	-	(41,086)	(111,325)
<b>Total movement for the year</b>	(1,493,006)	1,137,462	415,426	(1,223,877)	(4,333,733)	(5,497,728)
<b>Total Segment assets</b>	-	-	-	-	-	14,865,341
Unallocated assets	-	-	-	-	-	2,413,860
<b>Total assets</b>	-	-	-	-	-	17,279,201

### 3 Contingencies

#### Contingent Liabilities

There have been no charges in contingent liabilities since the last reporting date.

#### 4 Contributed equity

	31 December 2011 Share No.	30 June 2011 Share No.	31 December 2011 \$	30 June 2011 \$
<b>(a) Share Capital</b>				
Ordinary Shares Fully Paid	386,791,923	342,048,706	33,127,259	32,694,827

#### (b) Movements in ordinary share capital:

Date	Details	No. of Shares	Issue Price	\$
1 July 2010	Opening Balance	261,245,035		31,373,928
1 December 2010	Share Placement	39,186,000	\$0.017	666,162
11 May 2011	Share Purchase Plan	41,617,671	\$0.017	707,500
	Less: Transaction costs arising on share issue	-		(75,376)
	Deferred tax credit recognised directly in equity	-		22,613
30 June 2011	Closing Balance	<u>342,048,706</u>		<u>32,694,827</u>
24 August 2011	Non-Renounceable Rights Issue	39,854,605	\$0.01	398,546
2 September 2011	Non-Renounceable Rights Issue – Underwriting	3,388,612	\$0.01	33,886
14 December 2011	Incentive Rights	1,500,000		-
31 December 2011	Less: Transaction costs arising on share issue	44,743,217		432,432
	Closing Balance	<u>386,791,923</u>		<u>33,127,259</u>

## 5 Reserves

	31 December 2011	30 June 2011
	\$	\$
<b>Reserves</b>		
Available for sale	1,835,365	1,388,794
Share-based payments	(1,386,348)	(1,354,231)
	(449,017)	(34,563)

## 6 Events occurring after the reporting period

Subsequent to balance date Maximus completed a non-renounceable rights issue. The rights issue closed on 31 January 2012 and 384,999,802 ordinary shares were issued raising funds of \$1.92 Million.

There were no other circumstances that have occurred subsequent to the end of the reporting period that have or will significantly affect the operations of the Group.

## 7 Prior Year Comparative

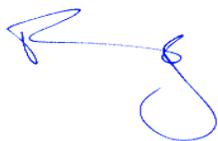
During the comparative year Maximus Resources Limited's percentage holding of Issued Capital of ERO Mining Limited reduced to 12.81%. This dilution occurred due to issues of shares in ERO Mining Limited. This, along with changes to the members of the Board of Directors of Maximus Resources Limited and ERO Mining Limited, resulted in a loss of control of ERO Mining Limited as a subsidiary. Therefore, ERO Mining Limited was consolidated with Maximus Resources Limited for the purposes of the comparatives within these financial statements up until the date when control was lost, being January 2011.

As a result of the above, comparative consolidated financial statements inclusive of six months trading of ERO Mining Limited, have been presented (as lodged with the ASX on 16 March 2011) for the statement of comprehensive income, statement of changes in equity and statement of cash flow.

In the Directors' opinion:

- a) The financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, in:
  - i. Complying with the Accounting Standard AASB 134: Interim Financial Reporting, and
  - ii. Giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the Directors.



Robert M Kennedy

Director

Adelaide

6 March 2012

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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Maximus Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Maximus Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Maximus Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



P S Paterson  
Partner

Adelaide, 6 March 2012