

ASX Announcement

18th March 2013

Operations Update and Rights Issue

- Follow-up drilling campaign planned for Narndee Cu-Au-Zn project in Western Australia;
- Negotiations continuing regarding Adelaide Hills gold projects;
- Rights issue at 0.4 cents/share plus 1 for 2 attaching option to raise up to \$1.55m

Maximus Resources Ltd (ASX:MXR)(**Company**) is pleased to announce that it will be undertaking a non-renounceable rights issue (**Rights Issue**) to raise approximately \$1.55 million (before costs) through an offer of up to a maximum of 386,645,863 ordinary fully paid shares (**New Shares**).

The funds raised by the Rights Issue, together with Maximus' existing cash reserves, will be used to fund exploration and development, including:

- Follow-up drilling on the Narndee Copper-Gold-Zinc tenements to further improve upon encouraging results returned in the initial drilling programs, where results including 11 metres of Zinc with grades up to 7.3%, 8 metres of Copper up to 1.1% and elevated silver and gold values were returned; and
- Undertake on-ground reconnaissance and soil sampling programs on Narndee high priority targets to more accurately pin-point target areas for follow-up reverse circulation (RC) and diamond drilling activities; and
- Commence an initial on-ground sampling and exploratory drilling program on the highly prospective northern Narndee gold tenements, where multiple gold nugget finds have been recorded recently and current and historic gold mines have been operating; and
- Undertake a review of data to be generated as part of a significant South Australian government funded regional gravity survey over the eastern section of the highly prospective, but under explored Gawler Craton region located within the Woomera Prohibited Area (WPA). This government funded gravity survey will be the first significant airborne exploration activity undertaken within the WPA in 40 years. The information produced from the aerial survey could significantly change the Prospectivity of the Billa Kalina tenements; and
- working capital purposes.

The Company has achieved significant progress on several projects in the past 18 months and accomplished several milestones.

The comprehensive review of the Narndee suite of tenements was completed resulting in the identification of 18 high priority targets, rationalisation of the tenement holding, completion of two very successful drilling campaigns that have identified very good copper-gold-zinc targets and commenced planning for exploratory drilling on highly prospective gold targets in the northern region of the tenement holding.

In addition, the Company completed a review of the Adelaide Hills tenement package in South Australia, achieved drilling success on its gold targets and continues to negotiate Joint Venture opportunities with several parties in relation to the Bird in Hand project containing a significant gold resource that remains open at depth with potential strike extensions.

Access onto the Billa Kalina tenements, within the Woomera Prohibited Area (WPA) in the highly prospective Gawler Craton region in South Australia, was successfully negotiated with the Department of Defence to facilitate exploration on several targets. The tenement ownership structure was also rationalised, with Maximus now controlling 100% of these tenements. The current joint venture with ERO Mining is being reviewed with an outcome expected in the near future. Discussions have commenced with several companies interested in undertaking exploration of the Billa Kalina tenements.

The Company has also progressively rationalised the tenement ownership structure, to ensure Maximus controls activities on the extensive tenement holding. Maximus now holds 100% of all mineral rights on all tenements, with the exception of diamond rights to several Adelaide Hills tenements in South Australia. However, the tenements have **been transferred in to the Company's name giving control to Maximus.**

The Rights Issue is being offered on the basis of one New Share for every two ordinary fully paid shares (1:2) held in the Company on 26th March 2013 (**Record Date**) at an issue price of \$0.004 per share. Persons who apply for New Shares will receive one free Attaching Option for every New Share for which they apply. The options have an exercise price of \$0.02 and expiration date of 30 April 2015. The options will not be quoted on the ASX.

Shareholders with an address in Australia or New Zealand on the Company's register at 7:00pm (Adelaide Time) on the Record Date will be eligible to participate in the Rights Issue (**Eligible Shareholders**).

The Rights Issue price reflects an approximately 20.1% discount to the 30-day volume weighted average price of the Company's shares for the period ending on 15 March 2013.

The Rights Issue will be partially underwritten by the directors as detailed in the prospectus dated 18th March 2013. The directors reserve the right to place the remaining shortfall at their discretion within three months after the close of the offer. **Eligible Shareholders' entitlements pursuant to this Rights Issue are non-renounceable** and accordingly Eligible Shareholders may:

- take up their rights in full or in part;
- do nothing in which case their rights will lapse; or
- take up their rights in full and apply for additional new shares.

Full details of the Rights Issue will be set out in the Prospectus lodged by the Company with ASIC and ASX on 18th March 2013. The shares under the Rights Issue will rank equally with existing ordinary shares on issue.

The proposed timetable for the Rights Issue is as follows:

Event	Date
Announcement of Rights Offer. Appendix 3B lodged	18 th March 2013
Prospectus lodged with ASIC and ASX	18 th March 2013
Notice sent to Shareholders	19 th March 2013
'Ex' Date	20 th March 2013
Record Date for determining Shareholders' entitlements	26 th March 2013
Despatch of Prospectus and Entitlement & Acceptance Forms to Shareholders, Rights Issue opens	3 rd April 2013
Closing Date	17 th April 2013
Notify ASX of under-subscriptions	22 nd April 2013
Allotment of New Shares and despatch of holding statements	26 th April 2013
New Shares commence trading on ASX	29 th April 2013

There will be no deferred settlement trading.

Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to withdraw the offer at any time, close the Rights issue early or 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 Shares. These dates are indicative only.

Existing option holders will need to exercise their options and be a registered holder of shares at close of business on 26th March 2013 if they wish to receive an entitlement to participate in the Rights Issue.

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.



If after the Closing Date, all allotted shares have not been subscribed for by eligible shareholders, the Board of the Company may seek bids from shareholders, institutions and other prospective investors for the shares comprising the shortfall. 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 despatched on 3rd April 2013. Allocation of any or all shortfall shares remains at the discretion of the board of directors.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'K. Malaxos', is written over a light blue circular stamp.

Mr Kevin Malaxos
Managing Director
Maximus Resources Ltd