

ASX Announcement

10/09/2019

New buyer for Burbanks Gold Mill

KEY POINTS

- **Maximus enters into a new Asset Sale Agreement for 100% of its Burbanks gold mill in WA**
- **The new purchaser, Mineral Ventures Pty Ltd has paid a \$2.8 million deposit, with final payment due 72 hours after the existing SMS/ Adaman encumbrance is removed**
- **Total proceeds to Maximus of A\$5.2 million**
- **Secure toll milling capacity for up to 2 years for Maximus from 2020**
- **Previous purchaser, SMS Innovation, a subsidiary of Adaman Resources, failed to finalise its Asset Sale Agreement and did not meet the payment commitment deadline of 31 August announced on 23 August. This arrangement has been terminated.**

Maximus Resources Limited (ASX: MXR or the “Company”) advises shareholders that a new Asset Purchase Agreement (APA) has been executed for the sale of 100% of the Company’s Burbanks gold mill in WA’s Eastern Goldfields, with Mineral Ventures Pty Ltd (Mineral Ventures). Mineral Ventures’ has paid an initial payment of \$2.8 million. Under the terms of this new APA, Mineral Ventures will make the final payment of \$2.4 million within 72 hours of the removal of the existing mortgage on the Burbanks tenements by former mill buyer, SMS Innovation Pty Ltd (SMS).

The new APA with Mineral Ventures was finalised following SMS, a subsidiary of Adaman Resources Limited, failing to complete the sale agreement commitments to acquire 100% of the Burbanks Gold Treatment plant on or before Saturday, 31 August, 2019

As announced on 23rd August, SMS was to complete the transaction and pay the outstanding balance of the acquisition price on or before 31 August, 2019. MXR and SMS were not able to agree on final terms of the APA and SMS did not make the final payment by the due date. The original sale completion date was anticipated in May 2019, but both parties agreed to extend the completion date for the sale of Burbanks to no later than 31 August, 2019. This arrangement has been terminated and Maximus will repay the \$2.5 million of SMS advanced loans.

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Maximus expects completion of the Burbanks assets sale with Mineral Ventures during September, 2019. Mineral Ventures is a privately owned company with interests in gold mining projects in the Kalgoorlie region of Western Australia. Mineral Ventures plans to recommence gold processing operations at Burbanks and potentially offer toll milling operations to third party gold producers.

The Burbanks mill remains on standby until the sale is finalised, with only security personnel on site.

Under the Mineral Ventures APA, Maximus has also secured up to 24 months milling capacity at 5,000 tonnes per month at Burbanks, commencing in 2020, with the option to extend the term by agreement. Securing 5,000 tonnes per month milling capacity for a minimum of 24 months ensures that MXR can continue the development of the Company's nearby Spargoville gold projects and accelerate the approvals documentation, with enhanced financial capacity, to continue to pursue projects for potential acquisition.

The decision to terminate the SMS sale process and execute an alternative Asset Sale Agreement with Mineral Ventures, was made following continued delays to the SMS/Adaman sale process, and the impact these delays were having on MXR, the market perception and shareholder confidence. Completion of the sale of Burbanks assets will result in Maximus having a healthy cash balance to fund ongoing gold exploration and project activities, backed by two years of secure mill access and capacity for future gold ore production.

The Company will update shareholders once the SMS mortgage is removed and the final payment received from Mineral Ventures.

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Further information relating to Maximus Resources Limited and its diversified exploration projects will be found on Maximus' website: www.maximusresources.com

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