

5 February 2020

Mr Alex Sutton
Adviser, Listings Compliance
Level 5, 20 Bridge Street
Sydney NSW 2000

By Email: Alex.Sutton@asx.com.au

Dear Sir

ASX Appendix 5B Query

We refer to your letter to Maximus Resources Limited (“MXR” or “the Company”) regarding the Company’s Appendix 5B for the quarter ended 31 December 2019.

We respond to each of your queries as follows (adopting your numbering):

1. Negative operating cashflows

The Company expects that it will have negative operating cashflows for the time being. Following the sale of the Burbanks Mill last quarter, the Company’s focus has shifted to exploration and development. As stated in its quarterly report, the Company is completing due diligence on an international poly metallic project and exploration has recommenced on the Spargoville tenements.

During the current quarter, the Company expects to receive \$340,000 from a debtor relating to a toll treatment campaign at the Burbanks Mill during early 2019.

The Company continues to have discussions with its insurers in respect of a claim for \$600,000 relating to plant and equipment failure at the Burbanks Mill.

Adaman Resources Ltd (Adaman), the previous contracted purchaser of the Burbanks Mill, agreed to pay additional costs incurred by the Company’s wholly owned subsidiary to extend the completion date relating to the sale. The Company has instigated proceedings against Adaman for the recovery of these additional costs totalling \$104,000.

The rate and timing of expenditure is within the Company’s control and funds will not be committed or disbursed until sufficient capital is available.

2. Raise further cash

The Company notes that it has 100% security placement capacity under Listing Rules 7.1 and 7.1A. The Board is continuing discussions with sophisticated investors and expects additional funds could be raised to finance ongoing operations.

3. Ability to meet business objectives

The Company is able to meet its business objectives as detailed above

4. Compliance with Listing Rule 3.1

The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule.

5. Authorisation

The Company confirms that this response was authorised for issue by the Directors.

Yours sincerely
Maximus Resources Limited



Rajita Alwis
Company Secretary



3 February 2020

Ms Rajita Alwis
Company Secretary
Maximus Resources Limited
246 Angas Street
Adelaide SA 5000

By email:

Dear Ms Alwis

Maximus Resources Limited ('MXR'): Appendix 5B Query

ASX refers to MXR's Appendix 5B quarterly report for the period ended 31 January 2020 lodged with ASX Market Announcements Platform on 31 January 2020 (the 'Appendix 5B').

ASX notes that MXR has reported:

- negative net operating cash flows for the quarter of \$-1,170,000;
- cash at the end of the quarter of \$34,000; and
- estimated cash outflows for the next quarter of \$320,000.

It is possible to conclude, based on the information in the Appendix 5B that if MXR were to continue to expend cash at the rate indicated by the Appendix 5B, MXR may not have sufficient cash to continue funding its operations.

In view of that, ASX asks MXR to respond separately to each of the following questions and requests for information:

1. Does MXR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MXR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does MXR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that MXR is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that MXR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MXR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEDT Thursday, 6 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MXR's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MXR's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to MXR’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MXR’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MXR’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards



Alex Sutton

Compliance Adviser, Geology, Listings Compliance (Sydney)