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# NEWS

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• **RELEASE** •

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24 May 2006

## **NEW AUSTRALIAN URANIUM FLOAT ANNOUNCED BY MAXIMUS RESOURCES**

A new Australian uranium float – with vast exploration licence areas across South Australia and the Northern Territory – is proposed by ASX-listed Maximus Resources Limited.

Maximus announced today that it proposed to sell its wholly-owned Eromanga Uranium Resources Pty Ltd (EPL) subsidiary to a new uranium explorer, Eromanga Uranium Limited (ERO) in exchange for the issue of shares in ERO.

The proposed sale follows agreements entered into for Maximus to farm-out its SA and NT uranium properties to EPL.

The subsequent sale of EPL and its uranium licence areas to ERO is conditional on a successful Initial Public Offering (IPO) by ERO and approval by Maximus shareholders.

### **Priority rights to proposed IPO**

It has been agreed that priority rights to the proposed IPO will be available to shareholders in both Maximus and Flinders Diamonds Limited.

A prospectus for the IPO will be made available when the shares in ERO are offered. Anyone who wishes to acquire the shares will need to complete the application form that will be in or will accompany the prospectus.

The proposed farm-outs and the new uranium IPO plans were announced today by both Maximus and Flinders Diamonds because last year's successful float and ASX listing of Maximus originally was based around certain farm-out agreements on the non-diamond assets (including uranium) of Flinders Diamonds.

ERO will be led by the highly experienced team of Robert Kennedy (Non-executive Chairman), Kevin Lines (Managing Director), Ewan Vickery and Kevin Wills (Non-executive Directors). Richard Willson is the Company Secretary.

### **ERO's key uranium licence areas**

Dr Kevin Wills, Managing Director of both Maximus and Flinders Diamonds, said today that ERO (through EPL) would be primarily focused on exploration for and development of economic resources of uranium.

"The uranium licence areas that will form ERO's main assets are located in the Eromanga Basin region of SA and the NT and the Billa Kalina prospect near the giant Olympic Dam mine in SA," Dr Wills said.

"It is proposed that EPL will spend \$7 million over a maximum of six years to earn a 70% interest in the Eromanga Basin project and will act as the manager and operator of the joint venture.

"At the Billa Kalina prospect, it is proposed that EPL can earn a 50% interest with the expenditure of \$3 million over a maximum of six years and will act as the manager and operator of the joint venture."

The Eromanga Basin Project consists of 18 exploration licence areas covering 15,755 square kilometres in SA and the NT, acquired to explore for sedimentary uranium deposits.

The Eromanga Basin JV involves exploration licence applications 15/06 to 23/06 and 26/06 to 30/06 totalling 12,748 square kilometres in SA and exploration licence applications EL 25161 to EL 25163 and EL 25166 totalling 3,007 square kilometres in the NT.

The Billa Kalina JV area - including exploration licences 3170, 3337, 3338, 3525 and 3526 totalling 4084 square kilometres in SA - was originally acquired by Flinders Diamonds as part of its diamond exploration program on the Gawler Craton.

The project is located on a line joining the Olympic Dam mine and the Prominent Hill mining operation, about 70 kilometres from Olympic Dam and 50 kilometres from Prominent Hill.

Through a previous share sale agreement with Flinders Diamonds Limited, Maximus purchased the non-diamond mineral rights to the Billa Kalina Project as part of its IPO and ASX listing last year.

Flinders Diamonds has given its consent to allow Maximus to farm-out its non-diamond mineral rights in the Billa Kalina prospect to EPL.

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Flinders Diamonds' extensive diamond rights are not affected and EPL has agreed to accept the terms of the original agreement between MXR and FDL.

Maximus is a diversified explorer with current tenement interests in known occurrences of uranium, gold, nickel, copper and platinum in SA, WA and the NT.

The company has recently reported a series of potentially economic gold drill intersections at its Bird-in-Hand Prospect in the Adelaide Hills.

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