
NEWS

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MAXIMUS IN PURCHASE OPTION ON QUEENSLAND

GOLD PROJECT WITH EARLY CASH FLOW

An option to purchase a north Queensland gold project with proven alluvial production and hard rock exploration potential for a price of up to \$2 million has been announced by Maximus Resources Limited.

The Sellheim project is the first proposed eastern states acquisition by the listed Adelaide-based multi-commodity explorer which has gold, uranium, nickel and platinum interests in South Australia, Western Australia and the Northern Territory.

Sellheim is located about 200 kilometres south of Townsville in the highly prospective Drummond Basin. The project covers 75 square kilometres of granted mining leases and exploration permits and applications.

Maximus expects to re-open Sellheim's recently profitable alluvial operations by mid next year after they were closed by vendors as they are close to retirement.

"On current gold prices of around A\$800 an ounce, we propose resumption and scaling up of Sellheim's historically successful alluvial mining to provide early cash flow as soon as possible," Maximus' Managing Director, Dr Kevin Wills, said today.

"We think the area in question has the potential to produce more than 10,000 ounces of alluvial gold per annum," Dr Wills said.

"However, our primary objective is the potential to discover a significant hard rock source for these alluvial deposits," he said.

"Maximus will next month commence an exploration program designed to discover a mineable hard rock gold resource.

"The project area contains several styles of primary gold and gold-copper mineralisation and, although there has been company exploration in the general area, there has been a lack of recent exploration on the 389 hectare Mining Lease area."

Dr Wills said Maximus' first Queensland hard rock program would focus on Sellheim and would commence next month with detailed geological mapping and a helicopter-borne high resolution aeromagnetic survey.

“This work will provide the background for a detailed bedrock geochemistry program to commence in 2007, after the conclusion of the forthcoming wet season.

“Any potentially economic zones defined from this work will then be followed up by a reverse circulation drilling schedule later in 2007.”

The terms of the acquisition are based around an option to move to 100% ownership over three or less years. They include a total exercise price of \$1.5 million plus conditional cash and Maximus share allocations, taking the final consideration to around \$2 million on today’s prices.

A condition of the agreement allows the private vendors to retain the right to mine alluvials from four small defined areas within their tenements, until the option is exercised.

The region around Sellheim hosts a number of major gold deposits including Mount Leyshon, Pajingo, Vera Nancy, Wirralie, Yandan, Mount Coolon and Twin Hills.

The Sellheim area’s 100-year production history includes the discovery of numerous coarse gold nuggets.

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