

# Quarterly Report

period ending 31 March 2007

## Highlights

### Western Australian Nickel

- Electromagnetic geophysical survey at Milgo (Nardee Project) located 2 conductors with potential to contain significant nickel mineralisation.
- Drill testing of both targets scheduled for June Quarter.

### Western Australian Uranium

- Drilling to estimate inferred uranium resource along Windimurra palaeochannel (Nardee Project) rescheduled to June Quarter.

### South Australian Gold

- Bird-in-Hand lode continues past 350 metres below surface.

### Queensland Gold

- Sellheim Project alluvial gold testing to commence early May and an inferred alluvial gold resource expected during the June Quarter.

### Corporate

- Maximus made a recent placement of 7,346,666 shares at 15 cents to raise \$1,102,000 before costs.

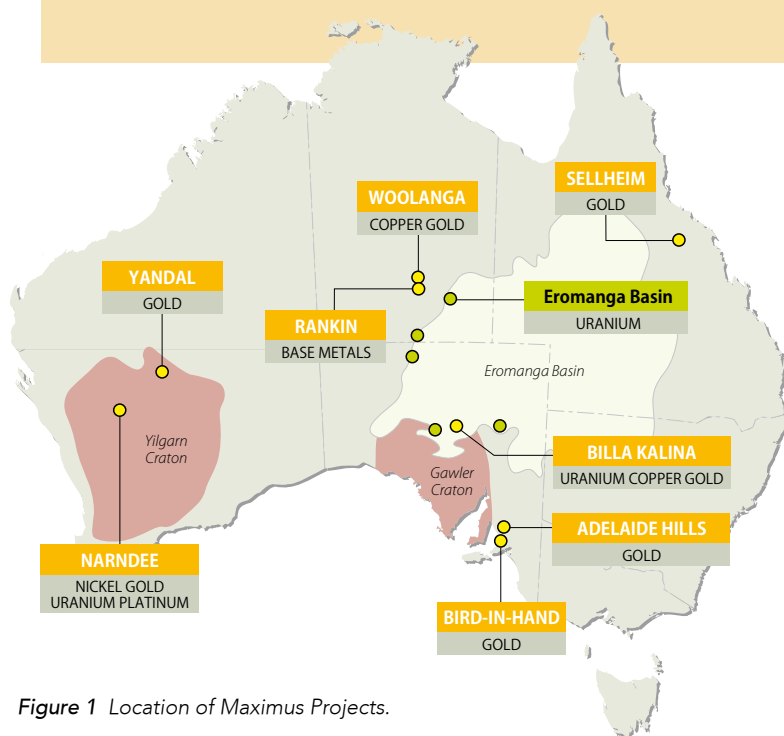


Figure 1 Location of Maximus Projects.

## EXPLORATION ACTIVITIES

### WESTERN AUSTRALIA

#### Nardee Project

Maximus earning 70% under Apex Agreement

The project area is located in the Mt Magnet region of Western Australia and covers some 3,000 square kilometres of the mineral rich Nardee and Windimurra mafic complexes (Figures 1 & 2).

#### Windimurra Uranium

Granting of tenure over this uranium endowed palaeochannel is imminent with all required documentation now completed and ready for lodgement with the WA Department of Industry and Resources. Maximus expects to commence an infill aircore drill program of approximately 120 holes on the 8x0.5 kilometre Windimurra Uranium prospect with a view to estimating an inferred uranium resource during the June Quarter.

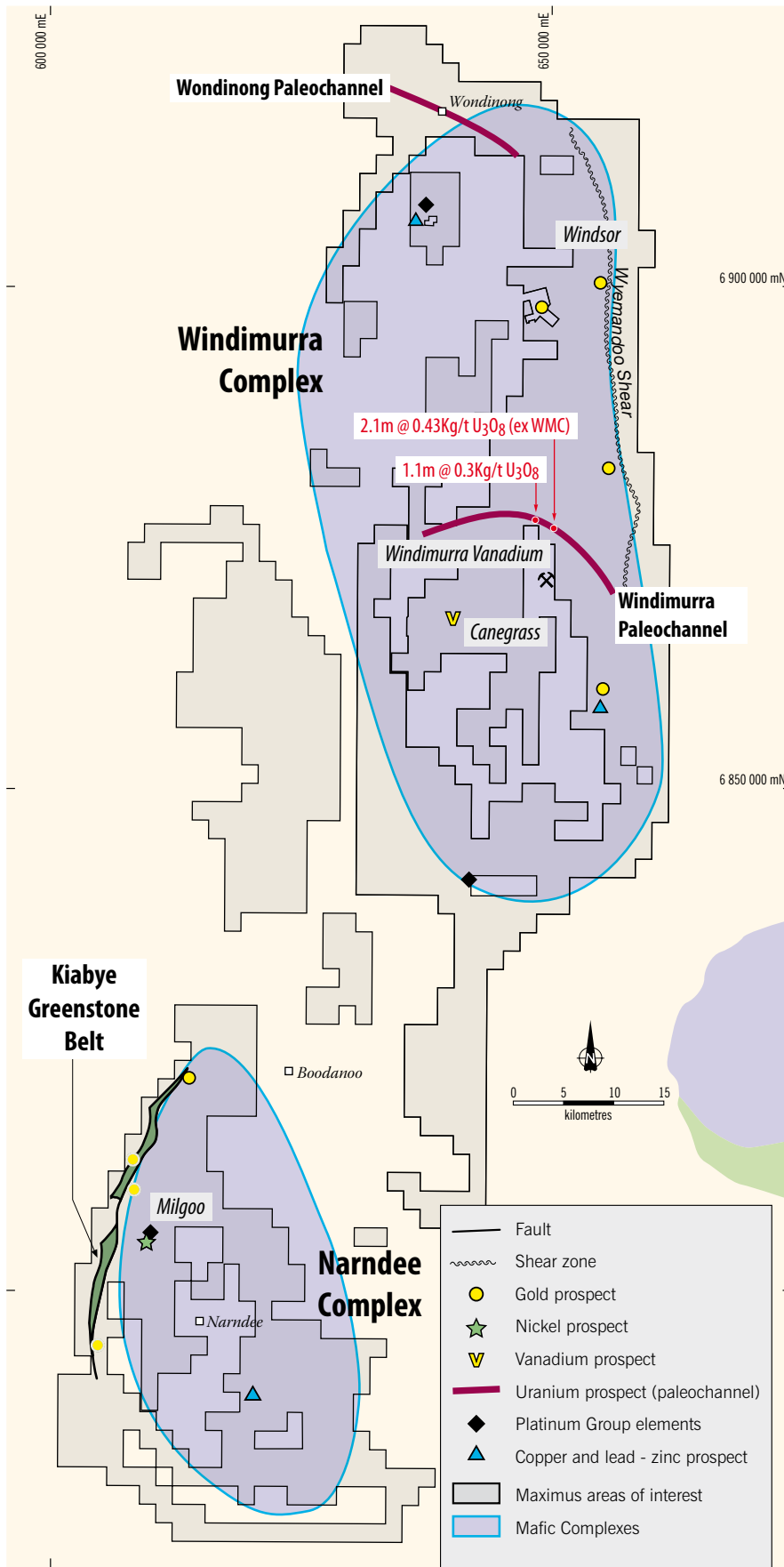


Figure 2 Simple geology of the Narndee Complex.

### Milgo Nickel

Within the northwest portion of the Narndee layered mafic complex, previous exploration drilling by several companies has located nickel and copper in ultramafic rocks containing variable percentages of disseminated sulphide mineralisation. Better nickel results in the area include up to 0.5% nickel over 8 metres in sulphidic altered ultramafic bedrock in the Milgo area (Figure 4).

During the Quarter, two phases of ground electromagnetic surveys were completed over the Milgo area. Two significant conductors were detected in the first survey and infill surveys confirmed these conductors as strong anomalies positioned geologically and geochemically to possibly represent nickeliferous massive sulphides (Figure 3 & 3a). The more discrete central conductor represents an 850 metre long body with a down dip extent of 300 metres and the second NW conductor is some 300 metres long. Both are located in areas of poor outcrop.

Drill testing of each conductor is scheduled to be completed during the June Quarter.

### Yandal, Western Australia

90% Maximus

The Yandal project area comprises two tenement packages situated near Wiluna and located within the highly prospective Yandal Greenstone Belt (Figure 1). The tenements include five zones of known gold mineralisation

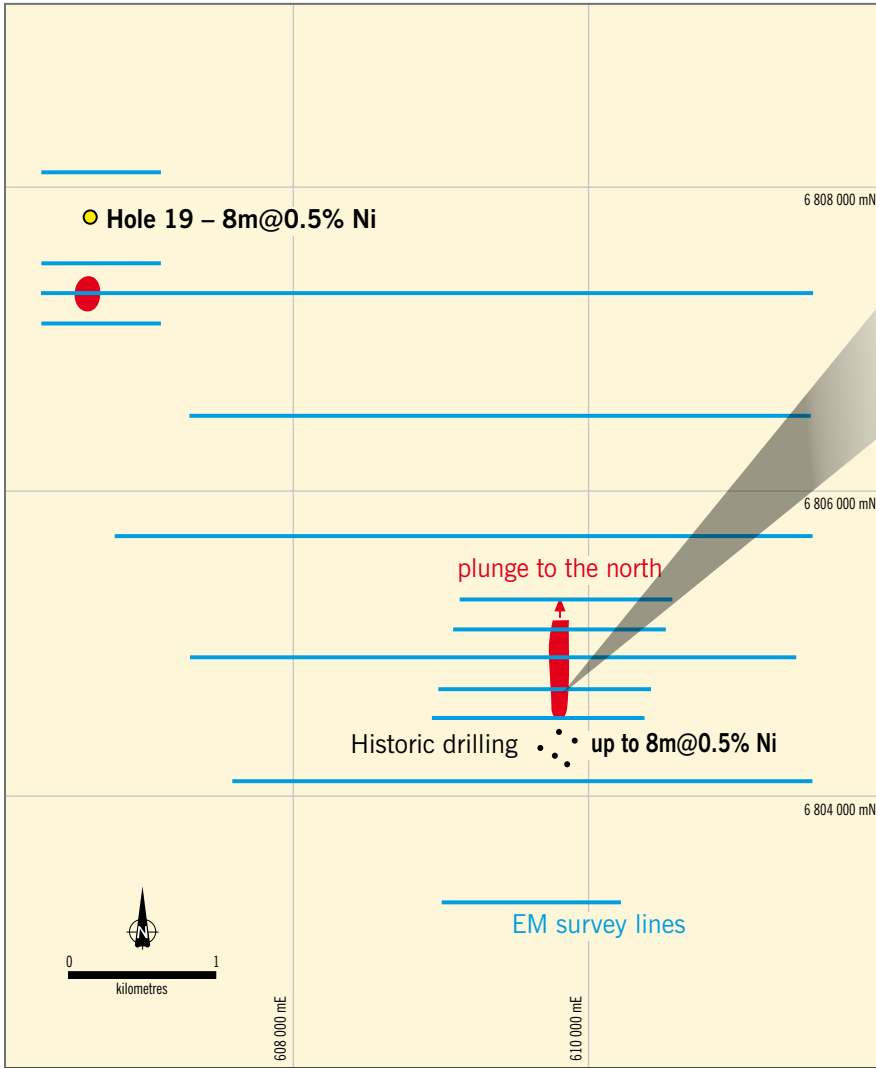


Figure 3 Milgoo area - EM Survey location and historic drilling.

identified during the 1980s and 1990s. Following grant of the Ironstone Well exploration licences in February, Maximus drilled 31 reverse circulation holes for 2331 metres within the central zone of the previously inferred mineral resource (1.1 million tonnes averaging 1.7 grams gold per tonne - 59,000 ounces). Drilling was designed to better understand the nature of mineralisation and to confirm the distribution and tenor of higher grade

mineralisation within the central portion of the resource. Initial assay results for 4 metre composites recorded up to 4 metres at 4.6 grams gold per tonne from 16 metres (hole FMRC0008) and 24 metres at 1.8 grams from 52 metres (FMRC0007). Assays for the specific 1 metre intervals related to these values are awaited.

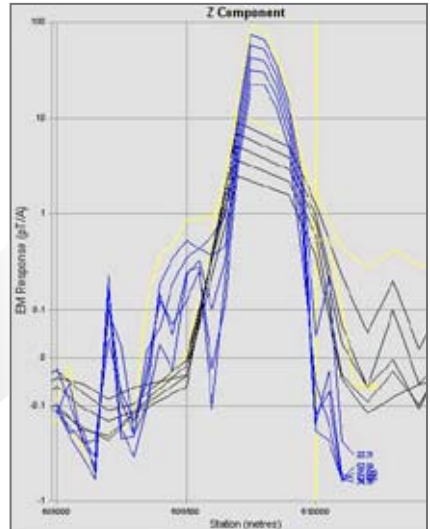
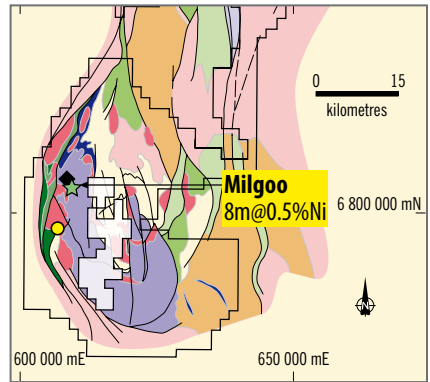


Figure 3a Milgoo area - EM section.



- Granitoid intrusives
- Regional granites
- Layered gabbroic intrusion - Windimurra Complex
- Group 2 basic intrusions
- Group 1 basic intrusions
- Layered gabbroic to ultramafic intrusives - Narndee Complex
- Orthogneiss
- BIF in metasediments and gneiss
- Metasediments and felsic volcanics
- Ultramafic
- Metabasalt, metadolerite
- Fault
- Gold prospect
- Nickel prospect
- Platinum Group elements
- Maximus tenure

Figure 4 Milgoo area - geology.

## SOUTH AUSTRALIA

### Adelaide Hills Project

100% Maximus

The Adelaide Hills project, located immediately east of Adelaide, comprises 3500 square kilometres of contiguous exploration licences and applications covering numerous gold and base metal occurrences. During the Quarter, drilling continued at the historic Bird-in-Hand gold mine and investigations of the wide spread gold and base metal mineralisation in the Adelaide Hills have advanced (Figures 1 & 5).

### Bird-in-Hand Gold Mine

Drilling the down dip projection of the reef structure to approximately 150 metres below the previously announced inferred gold resource and up to 350 metres below surface has continued.

During the reporting period, a further 4 holes for a total of 1095 metres were completed and a fifth hole has commenced (Figures 6 and 7). Assay results for 3 of these holes are tabulated in Table 1.

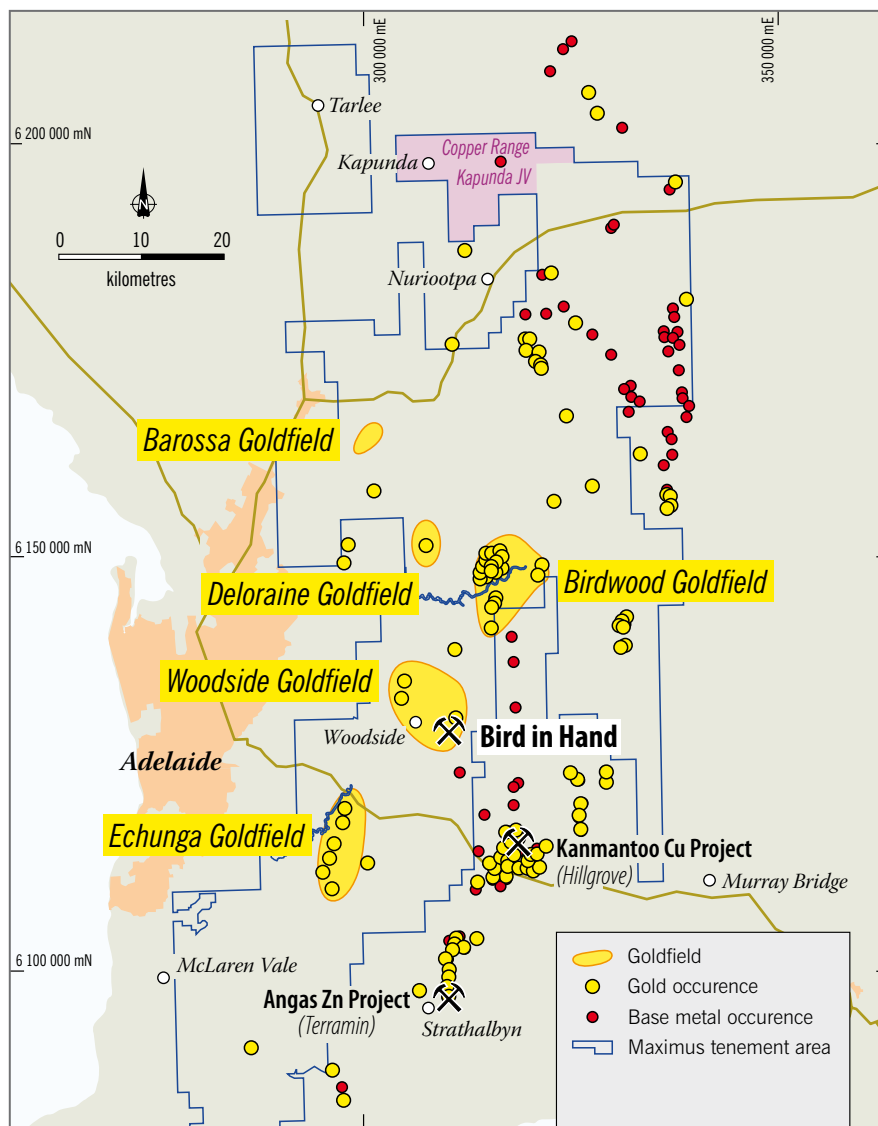


Figure 5 Location of Adelaide Hills Goldfields.

Table 1

### Summary Results for March Qtr 2007 Maximus Core Drilling at Bird-in-Hand Gold Mine, Woodside, South Australia.

Drill Hole No.	Collar Easting (MGA54 metres)	Collar Northing (MGA54 metres)	Collar Azimuth	Core Size	From (metres)	To (metres)	Interval (metres)	Gold (grams/tonne)	Comments
BH-27	309222.5	6129577.3	296/-65	NQ	329.0	331.25	2.25	47.9	
BH-28	309251.2	6129541.1	288/-77	NQ	358.0	367.0	9	5.23	Recovery ~40%, therefore, grade of 9m interval not representative.
						including	0.5	15.8	Recovered Qtz-oxidised sulphide vein.
BH-29	309106.0	6129594.0	288/-73	HQ	240.0	240.7	0.7	56.4	Qtz- oxidised sulphide vein

Hole BH-28 was drilled as the deepest test of the reef structure to date, targeting 400 metres below surface and approximately 100 metres below the intersections made in holes BH-24, 26 and 27. Drilling deviation problems caused the hole to move south and lift higher than intended but, despite low core recovery, the hole was successful in intersecting significant mineralisation some 50 to 60 metres below the previous holes (Figure 3). An attempt to redrill the interval using a wedge hole off BH-28 has failed to improve recovery. Assays for the wedge hole are awaited.

High grade mineralisation at such depth is encouraging and confirms the Bird-in-Hand reef extends past 150 metres down dip from the base of the previous resource estimate, and some 350 metres below surface.

Results for hole BH-29 are disappointing even though a narrow high grade interval was intersected. However, infill hole BH-30 is targeting a similar level and remains to be completed.

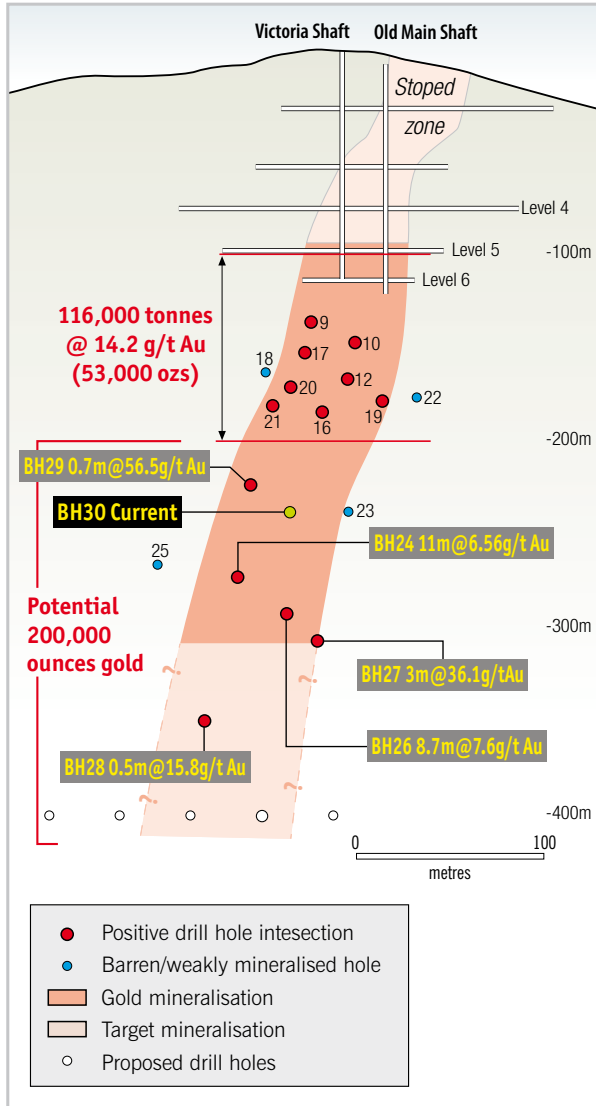


Figure 6 Long section at Bird in Hand.

Further infill drilling using 2 rigs will be completed before a new resource estimate to at least 300 metres below surface is completed towards the end of June.

### Community Consultation

A second public meeting to outline the current status of Maximus exploration drilling at Bird-in-Hand will be held in nearby Woodside on May 7, 2007. These meetings are designed to discuss recent activities with the local community and to address any community concerns about these activities and their future implications.

### Adelaide Hills Gold Province

Further compilation of previous exploration data for the Adelaide Hills has shown that most 1970s to 1990s explorers remained focused on base metals despite interesting gold values in some sampling results. Maximus is currently prioritising its targets ahead of commencing specific exploration programs at selected localities during the June Quarter.

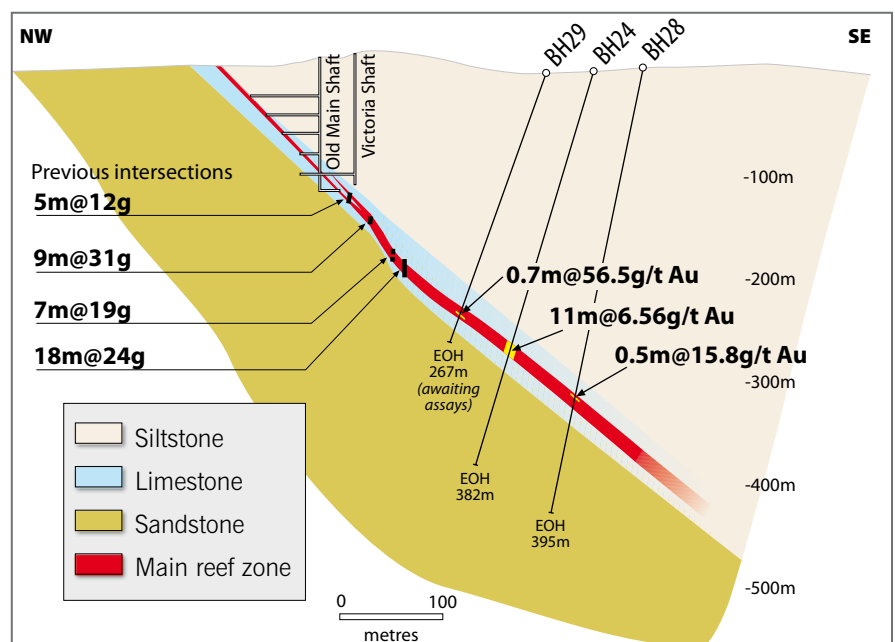


Figure 7 Cross section at Bird in Hand.

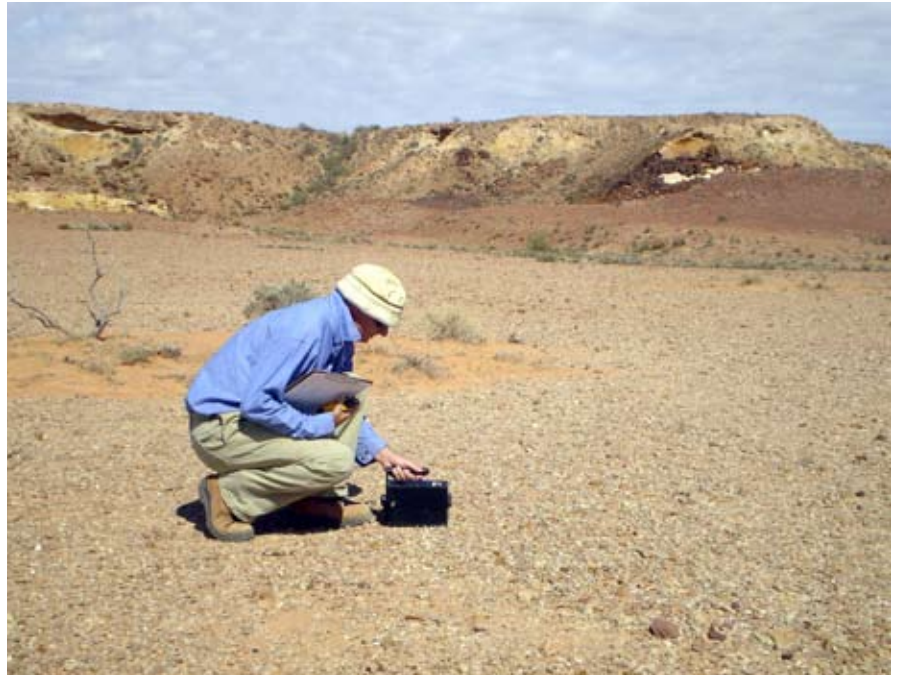
### **Kapunda Joint Venture**

*Maximus diluting to 25% subject to Kapunda JV Agreement*

During the Quarter, joint venture manager, Copper Range Limited, has continued historic data compilation and undertook some fieldwork on the project area (Figure 2). Consultants with considerable first hand knowledge of the area have assisted in appraisal of this project area and regional structural interpretation will be a focus in the June 2007 quarter.



*Bird in Hand area - drilling BH 27, January 2007.*



*Eromanga Uranium Exploration Manager Stephen Hogan collecting ground sintillometer data in the Marree area, Eromanga Sedimentary Uranium Project.*

### **Billa Kalina Project**

*Maximus diluting to 50% subject to Billa Kalina JV Agreement*

The Billa Kalina project area comprises five exploration licences located 70km northwest of the Olympic Dam copper-uranium-gold deposit and 45 km east of the Prominent Hill copper-gold deposit (Figure 1).

Eromanga Uranium Limited (ERO), in its capacity as joint venture manager, has advised that drilling of the gravity target to test for Olympic Dam style copper-uranium-gold mineralisation will commence in early June.

### **Eromanga Sedimentary Uranium Project**

*Maximus diluting to 30% subject to Eromanga JV Agreement*

The Eromanga project areas comprise a total of 14 exploration licences and applications extending along the margins of the Eromanga Basin in South Australia and Northern Territory (Figure 1).

Operator ERO has announced encouraging electromagnetic results which have identified major drainage patterns indicative of buried palaeochannels in a regional airborne geophysical survey over the Marree tenement package. These palaeochannels are considered excellent exploration targets for sandstone hosted uranium deposits, Drill testing will commence during the June Quarter.

Reprocessing of available radiometric data over Marree has indicated 6 uranium channel anomalies which, on field checking and sampling, were found to be uranium bearing. Samples submitted for analyses were anomalous in uranium with 6 of 32 samples exceeding 50ppm U and a peak value of 85ppm U being reported.

## NORTHERN TERRITORY

### Woolanga Project

100% Maximus

The Woolanga project area comprises five exploration licences covering 1700 square kilometres that are located 100 kms northeast of Alice Springs (Figure 1).

Interpretation of an airborne electromagnetic survey over the Johnnies Reward ironstone hosted copper-gold prospect indicates a modest conductor below the gossan outcrop. There is previous drilling in the vicinity of this conductor but no intersections to explain the conductive feature.

The company has decided to farm out the Woolanga project and the contiguous Rankin project. Several parties have expressed interest.

### Rankin Project

95% Maximus

The Rankin project area comprises 2 exploration licences contiguous with the Woolanga project (Figure 1).

Interpretation of airborne electromagnetic surveys previously completed over the Rankin and Gecko prospects has indicated a modest conductor adjacent to the Rankin magnetic anomaly and gossanous outcrops. There is no previous drilling in the vicinity of this conductor. However, Maximus has decided to farm out this project as part of a contiguous tenement package with the adjacent Woolanga project.

## QUEENSLAND

### Sellheim Gold Project,

Maximus Option to purchase 100%

The Sellheim project tenements cover some 75 square kilometres of a known alluvial gold province on the northern portion of the Drummond Basin (Figure 1).

### Alluvial Gold Exploration

The objective of this program is to demonstrate an alluvial gold resource sufficient to support a mining

operation capable of producing 15,000 to 20,000 ounces of alluvial gold per annum at cash costs of A\$200 per ounce.

Test pitting of the alluvial gold potential on a systematic grid commenced in late April and results are expected to provide information for estimating an inferred and indicated alluvial gold resource late in the June Quarter.

Initial test pitting will be followed by trench/costean bulk sampling that

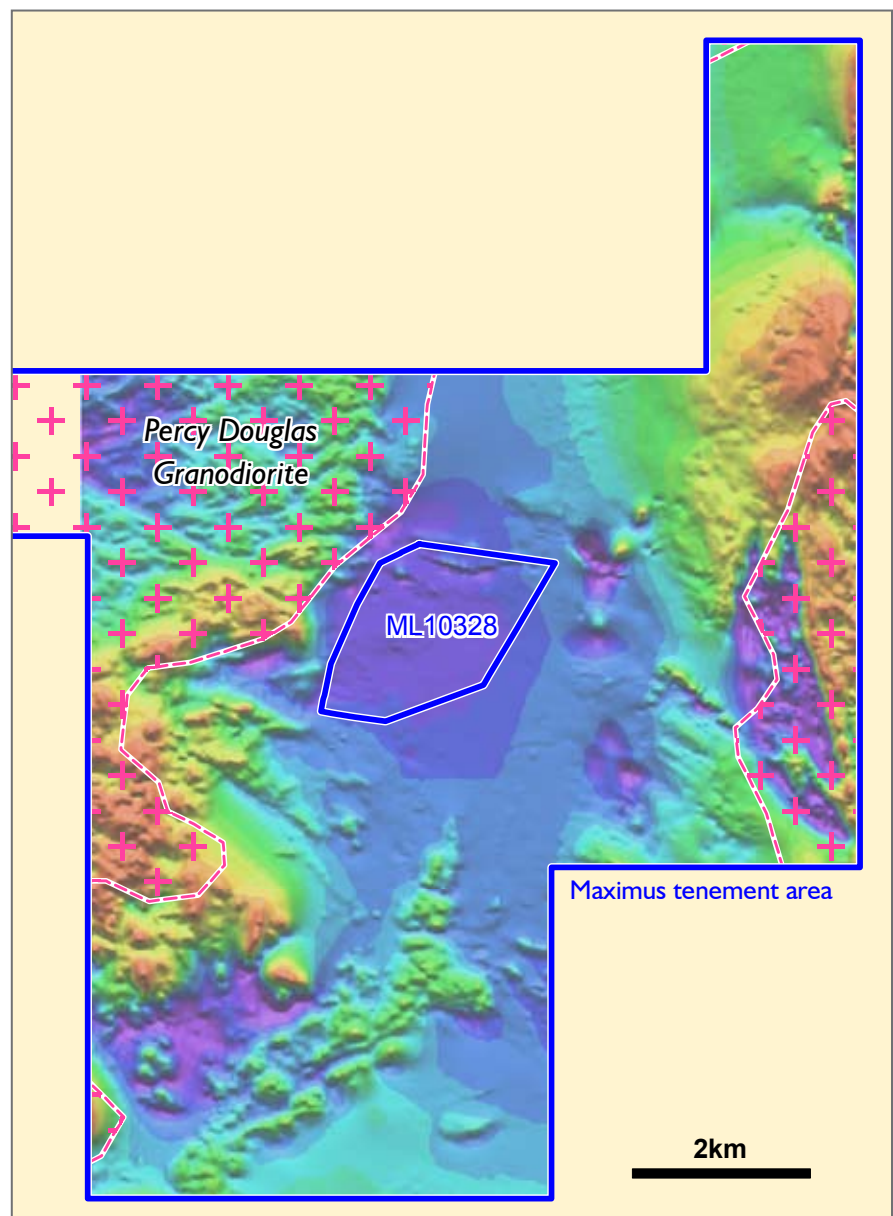


Figure 8 Sellheim area - Helimag image overlain with simplified geology.

is expected to provide sufficient recovery information to convert the resource to a probable alluvial gold reserve. Provided positive results are forthcoming, and concurrent water boring is successful, an alluvial mining operation would commence late in 2007.

#### **Hardrock Gold Program**

Previous evidence from a mineragraphic study of alluvial gold nuggets from Sellheim has indicated that the nuggets are probably locally derived. Interpretation of the previously flown Helimag magnetic survey suggest the alluvial goldfield overlies a magnetite destruction zone within the contact aureole of the adjacent Percy Douglas Grandiorite (Figure 8).

Exploration for a bedrock source to the alluvial goldfield has recommenced with gridding and further reconnaissance mapping underway.

A RAB/aircore drilling program to provide both sampling of the overlying alluvial profile and geological/geochemical data for the underlying bedrock, is scheduled to commence in May.

## **Corporate Activities**

### **Finance**

As at 31 March 2007, Maximus had available funds of \$739,000 of which the majority is held in term deposits with an Australian bank. During the March Quarter, total net cash expenditure by the Company was \$1,120,000

On April 10, Maximus announced the intention to place 7,346,666 shares to raise \$1,102,000 before costs and this placement was finalised on 17 April.

Exploration activities during the June Quarter will include the continuation of infill core drilling beneath the Bird-in-Hand gold mine, South Australia, hardrock exploration and alluvial gold testing on the Sellheim gold project, Queensland, and further exploration on the Narndee JV project, Western Australia. The estimate for June Quarter exploration expenditure totals \$1,200,000.



**Dr Kevin J A Wills**  
Managing Director

27 April, 2007

For further information please contact Kevin Wills on 08 8132 7960 or 0419 850 997

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

**[www.maximusresources.com.au](http://www.maximusresources.com.au)**

*The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr K Wills and Mr G Maddocks who are a Fellow and a Chartered Professional Fellow respectively of the Australasian Institute of Mining and Metallurgy and act as consultants to Maximus Resources Limited. Between them, each has more than five years relevant experience in the style of mineralisation and types of deposit under consideration and consent to inclusion of the information in this report in the form and context in which it appears. They both qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".*

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

**[www.maximusresources.com](http://www.maximusresources.com)**



### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(1,120)	(2,930)
(b) development		
(c) production		
(d) administration	(82)	(379)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	28	139
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(1,174)</b>	<b>(3,170)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		(75)
(b)equity investments		
(c) other fixed assets	(124)	(152)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities	5	47
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(119)</b>	<b>(180)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,293)</b>	<b>(3,350)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,293)	(3,350)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
<b>Net financing cash flows</b>			
<b>Net increase (decrease) in cash held</b>		(1,293)	(3,350)
1.20	Cash at beginning of quarter/year to date	2,032	4,089
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	739	739

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	204
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	1,200
4.2 Development	
<b>Total</b>	

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	26	20
5.2 Deposits at call	713	2,012
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	739	2,032

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	E58/309	Granted Tenement	Nil	100%
	P59/1757	Granted Tenement	Nil	100%
	E53/1223	Granted Tenement	Nil	100%
	E53/1224	Granted Tenement	Nil	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	67,377,921	45,152,921		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	33,222,080 1,000,000 930,000	20,609,580	<i>Exercise price</i> \$0.20 \$0.20 \$0.14	<i>Expiry date</i> 30/6/2008 12/4/2010 20/3/2012
7.8 Issued during quarter	930,000		\$0.14	20/3/2012
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Richard W C Willson  
(Company secretary)

Date: 23<sup>rd</sup> April 2007

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

====

---

+ See chapter 19 for defined terms.