Financial Report

For the year ended 30 June 2008

Maximus Resources Limited
ABN 74 111 977 354

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Corporate Governance Statement

The Board of Directors of Maximus Resources Limited has established corporate governance policies and procedures, where practicable, consistent with the revised Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council ("ASX Recommendations").

The following statement sets out a summary of the Company's corporate governance practices that were in place during the financial year and how those practices relate to the revised Corporate Governance Principles and Recommendations issued by the Australian Stock Exchange Corporate Governance Council ("ASX Recommendations"). The Company has elected to undergo an early transition to the revised Principles and Recommendations and as such has reported against these for the financial year ending 30 June 2008.

These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an effective, quality and integrity outcome. The Corporate Governance Council has recognised that a "one size fits all" approach to Corporate Governance is not required. Instead, it states aspirations of best practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.

The Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company.

PRINCIPLE 1
LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Recommendation followed

The Board is governed by the Corporations Act 2001, ASX Listing Rules and a formal constitution adopted by the Company in 2006.

The role of the Board is to provide leadership and direction to management and to agree with management the aims, strategies and policies of the Company for the protection and enhancement of long-term shareholder value.

The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. In fulfilling its responsibilities, the Board is supported by an Audit Committee to deal with internal control, ethical standards and financial reporting.

The Board appoints a Managing Director responsible for the day to day management of the Company including management of financial, physical and human resources, development and implementation of risk management, internal control and regulatory compliance policies and procedures, recommending strategic direction and planning for the operations of the business and the provision of relevant information to the Board.

The Board has not adopted a formal statement of matters reserved to it or a formal board charter that details its functions and responsibilities nor a formal statement of the areas of authority delegated to senior executives.

Recommendation 1.2 – Recommendation followed

The Board takes responsibility for monitoring the composition of the Board and reviewing the performance and compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance.

The Board considers the Company's present circumstances and goals ensure maximum shareholder benefits from the attraction and retention of a high quality Board and senior management team. The Board on a regular basis reviews the performance of and remuneration for Executive Director's and senior management including any equity participation by such Executive Directors and senior management. The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development.

Recommendation 1.3 – Recommendation followed

During the period the Board undertook a performance evaluation of the Managing Director, Company Secretary and senior management. The evaluation was in accordance with the Company's process for evaluation of senior executives.

PRINCIPLE 2
STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – Recommendation not followed

The composition of the Board consists of four directors of whom two, including the Chairman, are Independent Directors.

The Audit Committee currently consists of two Independent directors.

Recommendation 2.2 – Recommendation followed

The Chairman, Mr Kennedy is an Independent Director

Recommendation 2.3 – Recommendation followed

Mr Kennedy's role as Chairman of the Board is separate from that of the Managing Director, Dr Wills who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

Recommendation 2.4 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a Nomination Committee in line with ASX Recommendation 2.4 and establishing a formal charter as recommended by ASX Recommendation 2.4 cannot be justified by the perceived benefits of so doing.

Recommendation 2.5 – Recommendation not followed

The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company, the assessment of the Board's overall performance and its own succession plan is conducted on an informal basis. Whilst this is at variance with the ASX Recommendation 2.5, the Directors consider that at the date of this report an appropriate and adequate process for the evaluation of Directors is in place.

Recommendation 2.6 – Recommendation followed

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors' Report section of this report.

Messrs Kennedy and Vickery are considered to be independent.

The Company has no relationships with any of the independent directors which the Company believes would compromise the independence of these directors.

All directors are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company at the expense of the Company upon seeking permission and being granted it by the Chairman.

The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

As the board does not have a Nomination Committee, the functions of this Committee in its absence are dealt with by the Board as a whole.

An assessment of the Board's overall performance and its own succession plan is conducted on an informal basis and was done so during the year by the Chairman.

PRINCIPLE 3
COMPANIES SHOULD ACTIVELY PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Recommendation 3.1 – Recommendation not followed

While the Company does not have a formal code of conduct, as the Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing and managing a formal code of conduct cannot be justified, the Company requires all its directors and employees to abide by the standards of behaviour and business ethics in accordance with the law. In discharging their duties, Directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interests;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all directors meetings; and
- observe and support the Board's Corporate Governance practices and procedures.

Directors are also required to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present (unless requested by the Board to be present) when that matter is considered by the Board and will not vote on that matter.

Recommendation 3.2 – Recommendation followed

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available. This securities trading policy has been established by the Board and all employees and Directors are obliged to comply.

All directors have signed agreements with the Company which require them to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Recommendation 3.3 – Recommendation followed

The Company's Trading Policy can be found at www.maximusresources.com/governance

PRINCIPLE 4
SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1 – Recommendation followed

The Company was not a company required by ASX Listing Rule 12.7 to have an Audit Committee during the year although it is an ASX Recommendation. Notwithstanding the Listing Rule requirement, an Audit Committee has been established to oversee corporate governance over internal controls, ethical standards, financial reporting, and external accounting and compliance procedures.

The main responsibilities of the Audit and Corporate Governance Committee include:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports and all other financial information published or released to the market by the Company;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;
- liaising with and reviewing reports of the external auditor; and
- reviewing performance and independence of the external auditor and where necessary making recommendations for appointment and removal of the Company's auditor.

Recommendation 4.2 – Recommendation not followed

The Audit Committee consists of two non executive, independent Board directors, Messrs Vickery and Kennedy, and is chaired by Mr Vickery.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing an audit committee with at least three members in line with ASX Recommendation 4.2 cannot be justified by the perceived benefits of so doing. The existing composition of the Audit Committee is such that review and authorisation of the integrity of the Company's financial reporting and the independence of the external auditor is via the exercise of independent and informed judgement.

Recommendation 4.3 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal audit committee charter in line with ASX Recommendation 4.3 cannot be justified by the perceived benefits of so doing.

Recommendation 4.4 – Recommendation followed

Mr Kennedy is a qualified Chartered Accountant. Details of the Audit Committee member's qualifications and attendance at meetings are set out in the Directors' Report section of this report.

The Committee meets at least twice per annum and reports to the Board. The Managing Director, Company Secretary and external auditor may by invitation attend meetings at the discretion of the Committee.

PRINCIPLE 5
MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 and 5.2 – Recommendations not followed

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for continuous disclosure is required. However, the above policy describing how the Company will ensure its compliance with continuous disclosure requirements is posted on the Company's web-site, www.maximusresources.com/governance

PRINCIPLE 6
RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 and 6.2 – Recommendations not followed

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the half yearly financial report lodged with the Australian Stock Exchange and Australian Securities and Investments Commission and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's web-site; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's web-site, www.maximusresources.com/governance.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required. However, this policy describing how the Company will communicate with its shareholders is posted on the Company's web-site, www.maximusresources.com/governance

PRINCIPLE 7
RECOGNISE AND MANAGE RISK

Recommendation 7.1, 7.2 and 7.4 – Recommendations not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risk is presented to the Board.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, and the inherent risks associated with the industry it operates in, the Board does not believe formal policies for oversight and management of risk is required nor a mechanism for formal review be established. The policy describing how the Company manages risk by procedures established at Board and executive level can be found posted on the Company's web-site, www.maximusresources.com/governance

Recommendation 7.3 – Recommendation followed

In accordance with ASX Recommendation 7.3 the Managing Director and Chief Financial Officer have provided assurances that the written declarations under s295A of the Corporations Act are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Both the Managing Director and Chief Financial Officer provided said assurances at the time the s295A declarations were provided to the Board.

PRINCIPLE 8
REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal remuneration committee in line with ASX Recommendation 8.1 cannot be justified by the perceived benefits of so doing.

The Board takes responsibility for monitoring the composition of the Board and reviewing the compensation of the Company's Executive Directors and senior management with the overall objective of motivating and appropriately rewarding performance.

Recommendation 8.2 and 8.3 – Recommendations followed

In accordance with ASX Recommendation 8.2 the Company's remuneration practices are set out as follows.

The Company's Constitution specifies that the total amount of remuneration of non executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non executive directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed junior mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to ordinary fully paid shares in the Company. Under the terms of the Plan, options to ordinary fully paid shares may be offered to the Company's eligible employees at no cost in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The non-executive directors are not eligible to participate in the Plan.

The employment conditions of the Managing Director are formalised in a contract of employment. The Managing Director's contract may be terminated at any time by mutual agreement or without notice in serious instances of misconduct.

Further details of director's remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

The Company's Corporate Governance Policies can be found at www.maximusresources.com/governance

Directors Report

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2008.

Directors

The names of directors in office at any time during or since the end of the year are:

Robert Michael Kennedy

Kevin John Anson Wills

Gary Eric Maddocks

Ewan John Vickery

Nick John Smart (alternate for E J Vickery)

Richard Walter Cumming Willson (alternate for G E Maddocks, resigned 14 August 2007)

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Richard Walter Cumming Willson
B.Ac., CPA, GAICD

Bachelor of Accounting, CPA, Graduate Member of the Australian Institute of Company Directors. Mr Willson has had more than 14 years experience. He has worked in public practice and in various financial management and company secretarial roles within the Provimi Australia group, BHP Billiton and the Jumbuck Pastoral group. He has been the Company Secretary since 1 March 2006 and to the date of this report.

Principal Activities

The principal activity of the Company during the financial year was gold, nickel, uranium, copper, platinum and other minerals exploration.

Operating Results

The consolidated net result of operations for the financial year was a loss of $1,175,994.

Dividends

There were no dividends declared or paid during the period.

Review of Operations

The 2007/08 financial year was one of rapid growth in activities and results for Maximus Resources. Exploration expenditure more than doubled from $4.2 million in 06/07 to about $9.0 million in 07/08. Identified gold resources increased by 52% to 326,000 ounces, a uranium resource containing 7.5 million pounds of U308 was located and an exploration target for iron ore containing 1.7 to 3.0 billion tonnes of magnetite rich gabbro with 20 to 35% magnetite was outlined (ASX Announcement 9 May 2008). In short, the company has five possible development projects in its portfolio. These are Bird-in-Hand, Yandal and Sellheim Gold, Windimurra Uranium and Canegrass Iron Ore Projects. This growth was built on the firm foundation of prospective land acquired in the IPO and the exploration activities carried out and acquisitions made after listing.

Maximus' flagship project is now the Canegrass Iron Ore Project located about 65 kilometres east-southeast of Mount Magnet in Western Australia. The iron ore potential of the Canegrass project was first reported by Maximus on 27 September 2007, with encouraging assays in surface rock samples for iron and vanadium. After encouraging results from RC drilling in December 2007, Maximus embarked upon a program of detailed airborne magnetics and ground gravity to assist in delineation of the best potential iron ore. This resulted in the outlining of the 1.7 to 3.0 billion tonne iron ore target and follow up diamond and RC drilling in June and July, 2008. The best intersection returned was 72 metres of 34.2% iron. Maximus has planned a follow up resource drilling program for October 2008 which is designed to lead to the estimation of an initial Inferred Resource.

The Windimurra Uranium deposit is located about 20 kilometres northeast of Canegrass. Calcrete uranium mineralisation had been discovered by WMC in the 1970s. During the first half of the 07/08 financial year, Maximus drilled out the deposit to JORC compliant status with the reporting on 20 December 2007 of an Inferred Resource of 19 million tonnes averaging180 ppm U308 containing 7.5 million pounds of uranium oxide. The deposit is located in a present day channel over an area of about 8 square kilometres and to a depth of 6 metres. Given the recent change of government in Western Australia, Maximus will recommenced work on Windimurra Uranium and is actively looking for a JV partner to take the project through to development.

In the Adelaide Hills, Maximus has been exploring beneath the old workings at the Bird-in-Hand gold mine near Woodside since commencing drilling just after listing in November 2005. The Exploration Target predicted in Maximus' prospectus has gradually been defined by drilling such that a total tonnage of 598,000 tonnes averaging 12.3 grams gold per tonne and containing 237,000 ounces of gold has been located (as announced on 8 August 2008). A scoping study was undertaken which led to a positive result and the commencement of a pre-feasibility due for completion at the end of June 2009. Maximus is currently targeting a decision to mine at Bird-in-Hand in about December 2009.

The Sellheim alluvial gold project is located about 200 kilometres south of Townsville in central Queensland. Maximus has been exploring for alluvial gold since about May 2007 and on 2 April 2008, announced an initial Inferred Resource of 1 million bank cubic metres (bcm) of alluvials averaging 0.52 gm/bcm for a contained 16,000 ounces of gold. In recent months Maximus has carried out bulk sampling which has confirmed the gold grades located during the exploration phase. Maximus is planning to start trial production in October 2008.

Financial Position

The net assets of the group have increased by $16,913,454 during the financial year from $24,132,665 at 30 June 2007 to $41,046,119 at 30 June 2008. This increase has largely resulted from the proceeds from share issues raising $14,499,932. The Company has been actively undertaking exploration activities and has capitalised $18,392,671 in exploration expenditure during the current financial year.

The directors believe the Company is in a strong and stable financial position to continue its exploration activities.

Significant changes in State of Affairs

There have been no significant changes in the state of affairs of the parent entity during the financial year.

After Balance Date Events

No circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Future Developments, Prospects and Business Strategies

In the 08/09 financial year, Maximus plans to establish profitable gold production at Sellheim, to advance the Bird-in-Hand project to a final feasibility study and to build up a significant resource of Magnetite Iron Ore at Canegrass. The Company will also continue to test targets outlined by its airborne EM survey at the Narndee Project near Mount Magnet in Western Australia in the search for economic deposits of nickel-copper-platinum and copper-zinc.

At Sellheim, if profitable production can be demonstrated during late 2008, attention will turn to outlining additional alluvial resources which can be developed into larger operations with larger mobile plants treating ore at up to 100 bcm/hr. The project area is heavily mineralised with widespread alluvial gold. In addition a partner to carry out hard-rock gold and base-metal exploration of the basement rocks in search of primary gold and copper mineralisation will be sought.

In the Adelaide Hills, Maximus has also targeted the old Deloraine gold mine located about 25 kilometres north of Bird-in-Hand and representing a very similar geological situation to the latter project. Maximus has established an Exploration Target at Deloraine of between 1.3 and 1.5 million tonnes at a grade of 10 to 15 grams/tonne gold (ASX Announcement 5 September 2008). Maximus is due to commence exploration at Deloraine later in 2008. If the exploration target can be realised, Maximus may be in a position to re-develop two old underground gold mines in the Adelaide Hills.

Maximus' main focus, however, will be on advanced exploration and development studies at the Canegrass project. Maximus believes there is potential at Canegrass to develop a mine supplying both iron rich and vanadium rich magnetite products. After further resource drilling, it is intended to carry out a metallurgical program to define which concentrates can be profitably produced and so develop a more detailed drilling and sampling program. Maximus believes that the size of the Exploration Target at Canegrass is sufficiently large to create a significant long-life magnetite mining operation that will secure the company's long term future.

The rate at which the company is able to progress future exploration and development plans will depend on the availability of capital in its various forms.

Environmental Issues

The consolidated group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. The Group believes it is not in breach of any environmental obligation.

Information on Directors

Robert Michael Kennedy

Non-Executive Chairman - ASAIT, Grad, Dip (Systems Analysis), FCA, ACIS, Life Member AIM, FAICD

A Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Mr Kennedy has been a director since incorporation 17 December 2004. Mr Kennedy is the Chairman of Beach Petroleum Limited (Director since 1991, Chairman since 1995), Flinders Mines Limited (since 2001), Monax Mining Limited (since 2004), Marmota Energy Limited (since 2006), Ramelius Resources Limited (since 1995) and Eromanga Uranium Limited (since 2006).

Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies.

Mr Kennedy is a member of the Audit Committee.

Kevin John Anson Wills

Managing Director - ARSM, PhD, FAusIMM

A director since incorporation 17 December 2004. Dr Kevin Wills is a geologist with 33 years experience in multi commodity mineral exploration including uranium exploration, feasibility studies and mine operations in Australasia. Dr Wills spent seven years with CRA Exploration Pty Ltd, the highlight of which was involvement with the location and evaluation of the Argyle Diamond Deposit. Later, with Penarroya Australia Pty Ltd, his work led to an expansion of reserves at Thalanga and the discovery of the Waterloo base metals deposit.

In the late 1980s, Dr Wills was exploration manager with Metana Minerals NL. He built up a successful exploration team which extended known gold ore bodies and made new discoveries. In the early 1990s Dr Wills was regional exploration manager with Dominion Mining Ltd, based in Adelaide. His work on the Gawler Craton led to the development of a calcrete sampling technique which, later on, was instrumental in the Challenger gold discovery.

Dr Wills is also managing director of Flinders Mines Limited (since 2000) and a Non-Executive Director of Eromanga Uranium Limited (since 2006). He is a past chairman of the Adelaide Branch of the AusIMM and the Exploration Committee at the South Australian Chamber of Mines and Energy.

Ewan John Vickery

Non-Executive Director – L.LB

A director since incorporation 17 December 2004. Mr Vickery is a corporate and business lawyer with over 30 years experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies.

Mr Vickery is a Director of Flinders Mines Limited (since 2001), Eromanga Uranium Limited (since 2006) and member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Australian Institute of Company Directors and is a past national president of Australian Mining and Petroleum Law Association (AMPLA Limited).

Mr Vickery is the Chairman of the audit committee.

Gary Eric Maddocks

Exploration Director (Executive) – M.Sc. and App.Sc.(Geology), Dip.App.Chem., FAusIMM(CP)

A director since incorporation 17 December 2004. Mr Maddocks has 37 years of experience in mineral exploration for gold, copper, lead/zinc, nickel and tin throughout Australia. He has been involved with exploration activities for gold and copper in India, Indonesia and New Zealand. He is principal of GEM Exploration Management Services, a Chartered Professional (Geology) and Fellow of the Australian Institute of Mining and Metallurgy.

Nicholas John Smart

Alternate Director for E J Vickery (Non-Executive)

An alternate director since 9 May 2005, Mr Smart has held positions as a General Manager in France and Australia in the wool, textile, leather and meat industries. Responsibilities included human resources, factory operations, currency movements and commodity trading. He was a full Associate Member of the Sydney Futures Exchange then became Managing Director of D&D-Tolhurst Ltd (sharebrokers) as a client advisor and in the corporate area including capital raising. He has been involved in start up companies in technology development such as the laser shearing of sheep skins, commercialisation of the Synroc process for safe storage of high level nuclear waste and controlled temperature and atmosphere transport systems. Mr Smart currently consults to various public and private companies. Mr Smart is a director of GTL Energy Limited.

Richard Walter Cumming Willson

Alternate Director for G E Maddocks (Executive) - B.Ac., CPA, GAICD

Mr Willson has had more than 14 years experience. He has worked in public practice and in various financial management and company secretarial roles within the Provimi Australia group, BHP Billiton and the Jumbuck Pastoral group. Mr Willson is the Company Secretary and Chief Financial Officer for Flinders Mines Limited and Eromanga Uranium Limited. He is also a director of Housing Spectrum and Unity Housing Limited, not for profit organisations that provide disability housing. He has been an alternate director since 18 May 2006 and resigned 14 August 2007.

Remuneration Report (Audited)

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management person of the Company and for the executives receiving the highest remuneration.

a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

Name	Position
Mr R M Kennedy	Chairman - Non-executive
Mr E J Vickery	Director - Non-executive
Dr K J A Wills	Managing Director - Executive
Mr G E Maddocks	Executive Director
Mr N J Smart	Alternate Director
Mr R W C Willson	Chief Financial Officer / Company Secretary
Mr R Barratt	Exploration Manager

b) Directors and key management personnel remuneration

2008 Primary Benefits							
Directors	Directors fees	Salary	Non cash items	Cash bonus	Super contri-butions	Options	Total
	$	$	$	$	$	$	$
Mr R M Kennedy	77,981	-	-	-	7,019	-	85,000
Mr E J Vickery*	50,000	-	-	-	-	-	50,000
Dr K J A Wills	-	124,231	-	-	10,321	-	134,552
Mr G E Maddocks***	-	250,222	-	-	-	-	250,222
Mr N J Smart	-	-	-	-	-	-	-
Mr R W C Willson**	-	197,432	-	-	16,325	8,659	222,416
Mr R Barratt	-	35,655	-	-	3,209	30,925	69,789
	127,981	607,540	-	-	36,874	39,584	811,979

2007 Primary Benefits							
Directors	Directors fees	Salary	Non cash items	Cash bonus	Super contri-butions	Options	Total
	$	$	$	$	$	$	$
Mr R M Kennedy	73,395	-	-	-	6,605	-	80,000
Mr E J Vickery*	45,000	-	-	-	-	-	45,000
Dr K J A Wills****	-	166,126	-	-	-	-	166,126
Mr G E Maddocks***	-	209,379	-	-	-	-	209,379
Mr N J Smart	-	-	-	-	-	-	-
Mr R W C Willson**	-	155,768	-	-	14,019	6,100	175,887
	118,395	531,273	-	-	20,624	6,100	676,392

* *Director's fees for Mr Vickery are paid to a related entity of the Director*

** *Mr Willson is employed by FME Exploration Services Pty Ltd. His services are provided as part of the services agreement in place between FME Exploration Services Pty Ltd and Maximus Resources Ltd. The management fees paid by Maximus Resources Ltd are outlined in Note 24. This agreement was formalised 3 August 2006.*

*** *Mr Maddocks remuneration is paid to a related entity of the Director.*

**** *Dr Wills 2007 remuneration was paid to a related entity of the Director.*

The Directors conclude that there are no other executives requiring disclosure other than those listed.

c) **Service agreements**

During the financial year, the Company reviewed the employment agreement of Dr Wills in respect of his services as Managing Director. There were neither post employment retirement benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company. There were no post employment retirement benefits paid or payable to key management personnel.

Employee Share Option Plan

The Company has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. During the year 890,000 options with a fair value of $110,093 were issued to employees at no cost. No employee share options were issued to the Directors during the year.

Remuneration Practices

The Company's policy for determining the nature and amounts of emoluments of board members and senior executive officers of the Company is as follows.

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director is determined by the Non-executive Directors on the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasize payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed junior mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that enables the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director, Dr Wills are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Directors' contract may be terminated at any time by mutual agreement. The Company may terminate this contract without notice in serious instances of misconduct.

Options granted as remuneration

Apart from the options granted under the Company's Employee Share Option Plan as detailed above, no other options were granted to Directors or key management personnel of the Company during the financial year.

Shares issued on exercise of remuneration options

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

Directors' interests in shares and options

Directors' relevant interests in shares and options of the Company are disclosed in note 5 to the accounts.

Meetings of Directors

During the financial year, 22 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors meetings		Audit Committee meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R M Kennedy	20	20	2	2
K J A Wills	19	19	1	1
E J Vickery	19	19	2	2
G E Maddocks	20	20	1	1
R W C Willson	20	20	2	2
N J Smart	1	1	-	-

Indemnification and insurance of officers

Indemnification

The Company is required to indemnify the Directors and other officers of the company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and officers' liability and legal expenses' insurance contracts.

Options

Since the end of the financial year shares were issued as a result of the exercise of options as follows. There were no amounts unpaid on shares issued.

Date	Number of shares	Exercise Price
4/07/2008	8,156,869	20 cents
5/07/2008	13,832	20 cents
18/07/2008	524,456	20 cents
14/08/2008	46,928	20 cents
27/08/2008	15,188	20 cents
23/09/2008	1,316	20 cents

At the date of this report, the unissued ordinary shares of Maximus Resources Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
01 August 2008	30-June-2009	$0.20	38,241,869
14 February 2008	30-June-2009	$0.20	28,007,744
21 October 2005	20-April-2010	$0.20	1,000,000
02 July 2007	02-July-2010	$0.50	2,000,000
10 April 2007	20-March-2012	$0.14	770,000
17 March 2008	02-July-2012	$0.18	890,000
02 July 2007	02-July-2012	$0.50	2,000,000
10 July 2008	02-July-2012	$0.50	1,000,000
			73,909,613

During the year ended 30 June 2008, the following ordinary shares in Maximus Resources Limited were issued on the exercise of options granted under the Maximus Resources Limited Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Grant Date	Exercise Price	Number of shares issued
10 April 2007	$0.14	35,000
2 November 2007	$0.14	50,000
31 January 2008	$0.14	40,000

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Non-Audit Services

The Board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2008.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 11 of the directors' report.

Dated at Adelaide this 30th day of September 2008 and signed in accordance with a resolution of the directors.

Robert M Kennedy
Chairman

GrantThornton

Grant Thornton South Australian Partnership
ABN 27 244 906 724

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide

T 61 8 8372 6666
F 61 8 8372 6677
E info@gtsa.com.au
W www.grantthornton.com.au

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MAXIMUS RESOURCES LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Maximus Resources Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

S J Gray
Partner

Signed at Adelaide on this 30th day of September 2008

Income Statement

For the year ended 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Revenue	2	1,007,504	756,512	359,540	9,701,027
Marketing expenses	3	283,469	280,213	234,897	115,211
Administrative expense	3	966,874	800,245	628,133	264,349
Exploration expenses		632,912	456,986	459,172	386,632
Finance costs		1,914	1,885	1,540	637
Other		703	-	-	-
Profit/(Loss) before income tax		(878,368)	(782,817)	(964,202)	8,934,198
Income tax expense	4	242,143	29,355	269,137	2,566,397
Profit/(Loss) for the year		(1,120,511)	(812,172)	(1,233,339)	6,367,801
(Profit)/Loss attributable to outside equity interest		(55,483)	101,494	-	-
Profit/(Loss) attributable to members of the parent company		(1,175,994)	(710,678)	(1,233,339)	6,367,801
Basic earnings/(loss) per share (cents)	7	(0.970)	(1.046)		
Diluted earnings/(loss) per share (cents)	7	(0.970)	(1.046)		

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Current assets					
Cash and cash equivalents	8	10,732,827	12,354,511	4,193,772	313,373
Trade and other receivables	9	1,089,747	633,010	620,484	207,270
Other current assets		38,500	36,000	38,500	36,000
Total current assets		11,861,074	13,023,521	4,852,756	556,643
Non-current assets					
Property, plant and equipment	14	1,346,717	674,444	948,790	314,210
Exploration and evaluation expenditure	15	29,477,882	11,085,151	20,960,076	8,499,156
Financial assets		-	-	3,992,643	9,579,500
Investments accounted for using the equity method	10	2	2	1	1
Total non-current assets		30,824,541	11,759,597	25,901,510	18,392,867
Total assets		42,685,615	24,783,118	30,754,266	18,949,510
Current liabilities					
Trade and other payables	16	1,591,539	632,076	1,076,721	423,422
Provisions	17	47,957	18,377	23,764	6,019
Deferred tax liability	4	-	-	887,979	2,537,042
Total current liabilities		1,639,496	650,453	1,988,464	2,966,483
Total liabilities		1,639,496	650,453	1,988,464	2,966,483
Net assets		41,046,119	24,132,665	28,765,802	15,983,027
Equity					
Issued capital	18	27,046,405	10,133,983	27,046,405	10,133,983
Reserves		1,208,755	156,408	(2,755,910)	140,397
Retained earnings		(2,545,827)	(1,369,832)	4,475,307	5,708,647
Parent interest		25,709,333	8,920,559	28,765,802	15,983,027
Outside equity interest		15,336,786	15,212,106	-	-
Total equity		41,046,119	24,132,665	28,765,802	15,983,027

The accompanying notes form part of these financial statements.

Statement Of Changes In Equity

For the year ended 30 June 2008

	Issued Capital	Share Option Reserve	Availble For Sale Reserve	Retained Earnings	Outside Equity Interest	Total
	$	$		$	$	$
Consolidated group						
Balance at 1st July 2006	8,699,079	83,667	-	(659,154)	-	8,123,592
Initial outside equity interest	-	-	-	-	15,284,332	15,284,332
Loss for the period	-	-	-	(710,678)	-	(710,678)
Loss attributed to outside equity interest	-	-	-	-	(101,494)	(101,494)
Shares issued during the period	1,503,400	-	-	-	-	1,503,400
Options issued during the period	-	72,741	-	-	-	72,741
Outside equity interest in options reserve	-	-	-	-	29,268	29,268
Transaction costs (net of tax)	(68,496)	-	-	-	-	(68,496)
Balance at 30th June 2007	10,133,983	156,408	-	(1,369,832)	15,212,106	24,132,665
Loss for the period	-	-	-	(1,175,995)	-	(1,175,995)
Gain attributed to outside equity interest	-	-	-	-	55,482	55,482
Shares issued during the period	17,477,423	-	-	-	-	17,477,423
Options issued during the period	-	1,052,347	-	-	-	1,052,347
Outside equity interest in options reserve	-	-	-	-	69,198	69,198
Transaction costs (net of tax)	(565,001)	-	-	-	-	(565,001)
Balance at 30 June 2008	27,046,405	1,208,755	-	(2,545,827)	15,336,786	41,046,119
Parent entity						
Balance at 1st July 2006	8,699,079	83,667	-	(659,155)	-	8,123,591
Profit for the period	-	-	-	6,367,801	-	6,367,801
Shares issued during the period	1,503,400	-	-	-	-	1,503,400
Options issued during the period	-	56,730	-	-	-	56,730
Transaction costs (net of tax)	(68,496)	-	-	-	-	(68,496)
Balance at 30th June 2007	10,133,983	140,397	-	5,708,646	-	15,983,026
Profit for the period	-	-	-	(1,233,339)	-	(1,233,339)
Shares issued during the period	17,477,423	-	-	-	-	17,477,423
Decline in value of available for sale financial assets	-	-	(3,910,800)	-		(3,910,800)
Options issued during the period	-	1,014,493	-	-	-	1,014,493
Transaction costs (net of tax)	(565,001)	-	-	-	-	(565,001)
Balance at 30 June 2008	27,046,405	1,154,890	(3,910,800)	4,475,307	-	28,765,802

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 30 June 2008

	Note	Economic Entity		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Cash flows from operating activities					
Interest received		1,177,742	453,633	347,854	141,002
Payments to suppliers and employees		(500,641)	(1,349,291)	(288,480)	(688,241)
Net cash provided by (used in) operating activities	*21*	677,101	(895,658)	59,374	(547,239)
Cash flows from investing activities					
Purchase of property, plant and equipment		(792,355)	(599,934)	(698,753)	(223,424)
Proceeds from sale of tenements		135,000	-	135,000	-
Payment for exploration activities		(15,067,089)	(4,989,702)	(9,173,191)	(3,992,376)
Loans to related entities		(264,620)	(90,380)	(132,310)	27,310
Payment of security bonds		(2,500)	(36,000)	(2,500)	(36,000)
Payments for subsidiaries net of cash acquired		-	14,692,735	-	(19,500)
Net cash provided by (used in) investing activities		(15,991,564)	8,976,719	(9,871,754)	(4,243,990)
Cash flows from financing activities					
Proceeds from issue of shares		13,692,779	184,397	13,692,779	1,015,549
Net cash provided by (used in) financing activities		13,692,779	184,397	13,692,779	1,015,549
Net increase in cash held		(1,621,684)	8,265,458	3,880,399	(3,775,680)
Cash at beginning of financial year		12,354,511	4,089,053	313,373	4,089,053
Cash at end of financial year	*8*	10,732,827	12,354,511	4,193,772	313,373

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Maximus Resources Limited as an individual entity and the consolidated entity consisting of Maximus Resources Limited and its subsidiaries.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting standards board, Urgent Issues group Interpretations and corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Maximus Resources Limited complies with International Financial Reporting Standards. (IFRS).

Historical cost convention

This financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

a) Principles of consolidation

A controlled entity is any entity Maximus Resources Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which are they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of non current asset	Depreciation rate	Basis of depreciation
Plant and equipment	12.5–40%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined in comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Exploration expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e) Financial instruments

Recognition and initial measurement

Financial instruments, incorporation financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of post-acquisition reserves of its associates.

h) Interests in joint ventures

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 11.

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

i) Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The cost of equity-settled transactions is measured by the fair value at the date at which the equity instruments are granted. The fair value is determined using the Black-Scholes pricing model. The cost is recognised as an expense in the income statement with a corresponding increase in the share option reserve or issued capital when the options or shares are issued.

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 2. REVENUE

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Operating activities				
– Interest received from other persons	1,007,504	756,512	359,540	141,028
– Profit on sale of subsidiary	-	-	-	9,559,999
	1,007,504	756,512	359,540	9,701,027

NOTE 3. LOSS FOR THE YEAR

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Marketing Expenses				
Company Promotion	14,758	152,363	12,775	11,131
Subscriptions	12,358	24,840	2,009	24,840
Public Relations	9,782	18,122	9,266	4,139
Conferences	36,425	23,201	30,310	7,207
Other	210,145	61,687	180,536	67,894
	283,469	280,213	234,897	115,211
Administration Expenses				
Accounting Services	5,164	9,220	3,394	3,379
Audit Fees	44,500	44,034	23,500	20,105
Legal Fees	7,184	25,471	7,184	3,554
Management Fees	298,825	205,570	191,517	82,680
Corporate Consulting	-	55,120	-	86,633
ASX Fees	62,234	65,070	54,756	10,795
Employee Benefits Expense	273,902	329,295	159,281	20,141
Depreciation	12,402	44,659	11,705	28,383
Other	262,663	21,806	176,796	8,679
	966,874	800,245	628,133	264,349
Exploration Expenses				
Exploration Expenditure Written off	632,912	456,986	459,172	386,632
	632,912	456,986	459,172	386,632

NOTE 4. INCOME TAX EXPENSE

		Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
a.	The components of tax expense comprise:				
	Current tax	242,143	-	242,143	(1,284,914)
	Underprovision for prior years	-	-	281,706	-
	Deferred tax	-	29,355	(254,712)	3,851,311
		242,143	29,355	269,137	2,566,397
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)				
	- consolidated group	(263,510)	(234,845)		
	- parent entity			(289,261)	2,680,259
	Add:				
	Tax effect of:				
	- non-allowable items	13,855	1,998	1,520	1,290
	- share options expensed during year	65,144	17,019	33,028	17,019
	- share placement issue costs	242,143	-	242,143	-
	- previously unrecognised temporary differences	-	-	-	737,135
	- deferred tax asset not brought to account	184,511	245,183	281,707	-
	Recoupement of prior year tax losses not brought to account	-	-	-	(869,306)
	Income tax attributable to entity	242,143	29,355	269,137	2,566,397
	Deferred tax assets on the timing differences have not been recognised as they do not meet the recognition criteria as outlined in Note 1(b) to the financial statement.				
c.	Deferred tax liability				
	The balance of deferred tax liabilities comprises temporary differences attributable to:				
	Deferred capital gain on sale of subsidiary	-	-	984,943	2,661,000
	Capitalised exploration expenditure	-	-	6,234,214	2,067,340
	Other	-	-	(77,261)	(27,806)
	Carried forward tax losses	-	-	(6,246,788)	(2,154,220)
	Provisions	-	-	(7,129)	(9,272)
	Deferred tax liability	-	-	887,979	2,537,042

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION

a) Names and positions held of consolidated group and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
R M Kennedy	Non-Executive Chairman
K J A Wills	Managing Director
G E Maddocks	Executive Director
E J Vickery	Non-Executive Director
R W C Willson	Chief Financial Officer and Company Secretary
R Barratt	Exploration Manager

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

b) Options and Rights Holdings

Number of options held by key management personnel.

	Balance 1.7.2007	Issued as Remuneration	Net Change Other	Balance 30.6.2008	Total Vested 30.6.2008	Total Exercisable 30.6.2008	Total Unexercisable 30.6.2008
R M Kennedy*	1,375,000	-	(684,999)	690,001	690,001	690,001	-
K J A Wills*	1,575,000	-	(924,999)	650,001	650,001	650,001	-
G E Maddocks	1,250,000	-	(739,999)	510,001	510,001	510,001	-
E J Vickery*	1,306,250	-	(1,226,316)	79,934	79,934	79,934	-
N J Smart	512,500	-	(512,500)	-	-	-	-
R W C Willson*	100,000	70,000	36,900	206,900	206,900	206,900	-
R Barratt	-	250,000	-	250,000	250,000	250,000	-
	6,118,750	320,000	(4,051,913)	2,386,837	2,386,837	2,386,837	-

c) Share Holdings

Number of shares held by key management personnel.

`	Balance 1.7.2007	Received as Compensation	Net Change Other	Balance 30.6.2008
R M Kennedy*	2,750,001	-	2,194,999	4,945,000
K J A Wills*	3,150,001	-	100,000	3,250,001
G E Maddocks	2,500,001	-	50,000	2,550,001
E J Vickery*	2,672,501	-	(2,142,862)	529,639
N J Smart	-	-	-	-
R W C Willson*	57,000	-	25,000	82,000
R Barratt	-	-	-	-
	11,129,504	-	227,137	11,356,641

** Held by Directors and entities in which Directors have a relevant interest.*

NOTE 6. AUDITORS REMUNERATION

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Remuneration of the auditor of the Company for:				
– Auditing or reviewing the financial report	44,500	44,034	23,500	20,105
– Independent Report for Prospectus	-	10,000	-	-
	44,500	54,034	23,500	20,105

NOTE 7. EARNINGS PER SHARE

	2008 $	2007 $
Earnings used to calculate basic and dilutive EPS	(1,175,994)	(710,678)
Earnings used to calculate basic and dilutive EPS from continuing operations	(1,175,994)	(710,678)
Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS	121,177,911	67,915,108
Weighted average number of options outstanding during the year used to calculate dilutive EPS	-	-
Weighted average number of ordinary shares outstanding during the year used to calculate dilutive EPS	121,177,911	67,915,108

The weighted average number of options on issue at 30 June 2008 was 48,531,383 (2007 34,424,028). They were not used in the earnings per share calculation as they were anti dilutive.

NOTE 8. CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Cash at bank and in hand	1,582,827	1,404,511	1,143,772	263,373
Short-term bank deposits	9,150,000	10,950,000	3,050,000	50,000
	10,732,827	12,354,511	4,193,772	313,373

The effective interest rate on short-term bank deposits was 7.9% (2007 - 6.5%) These deposits have an average maturity of 53 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	10,732,827	12,354,511	4,193,772	313,373

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Current				
Interest receivable	109,720	302,880	11,712	26
Receivable from FME Exploration Services Pty Ltd*	500,000	235,380	250,000	117,690
Other receivable	480,027	94,750	358,772	89,554
	1,089,747	633,010	620,484	207,270

* *The entity advanced this amount to assist in the funding of working capital. The Group provides support to the associated company to ensure it can pay its debts as and when they fall due and payable.*

This receivable from the associated company is repayable at call and interest at market rates can be charged at the discretion of the Directors. The parent entity will not seek repayment where such repayments would prejudice the associated company's ability to meet any obligations as and when they fall due.

NOTE 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests are held in the following associated companies.

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying amount of Investment	
				2008 %	2007 %	2008 $	2007 $
Unlisted:							
FME Exploration Services Pty Ltd	Administration Services	Australia	Ord	66.6	66.6	2	2

a) Summarised presentation of aggregate assets, liabilities and performance of associate.

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
Current assets	732,860	114,142	366,430	114,142
Non current assets	956,366	321,184	478,183	321,184
Total assets	1,689,226	435,326	844,613	435,326
Current liabilities	1,689,220	435,323	844,610	435,323
Total liabilities	1,689,220	435,323	844,610	435,323
Net assets	6	3	3	3
Share of associate's profit after tax	-	-	-	-

NOTE 11. JOINT VENTURES

The Consolidated group has the following interests in Joint Ventures:

No.	State	Agreement Name	Parties	Summary
1	WA	Nemex Agreement	Maximus Resources Ltd (MXR) *and* Nemex Pty Ltd (Nemex)	MXR purchased a 90% interest in the Nemex Ironstone Lagoon project tenements
2	SA and NT	Eromanga Basin Joint Venture	Eromanga Uranium Ltd (ERO)*and* MXR	ERO can earn a 70% interest in MXR's Eromanga Basin project tenements in SA and the NT by spending $7,000,000 on the tenements within 6 years
3	SA	Billa Kalina Joint Venture	ERO *and* MXR	ERO can earn a 50% interest in the non-diamond mineral rights of MXR's Billa Kalina project tenements by spending $3,000,000 on the tenements within 6 years
4	SA	Kapunda Joint Venture	Flinders Mines Limited *and* MXR *and* Copper Range (SA) Pty Ltd (CRJ)	CRJ can earn a 51% interest in MXR's rights to base and precious metals in EL3064 by spending $500,000 over 5 years with an option to earn a 75% interest by further expenditure of $500,000
5	WA	Meeline Option to Purchase	MXR *and* Christopher Richard Elkington and Peter William Youngs and Darian Sampey and Allan Hunter Younger and Roger Townend and Raimunda Silva Townend and Henning Otto Hintze	MXR has a 2 year option to purchase a 100% interest in all the tenements in this agreement for $500000
6	NT	Rankin / Gecko Agreement	MXR *and* Tanami Gold NL (TGL)	TGL has transferred a 95% interest in the project tenements for $1 plus the undertaking that MXR will meet future exploration and tenement expenditure while the tenements remain in force
7	NT	Woolanga-Rankin Agreement	MXR *and* Minotaur Exploration Ltd (Minotaur)	Minotaur to spend a minimum $200 000 on exploration within the first 12 months. If Minotaur elects to proceed with a JV agreement it may earn 51% by expenditure of $1 million over 3 years and 75% by expenditure of a further $1 million over 2 years
8	NT	Strangway Agreement	MXR *and* NuPower Resources Ltd (NuPower)	NuPower to expend a minimum of $200 000 in the first 12 months. NuPower may then earn 51% interest in 'energy minerals' by expenditure of $3 million from commencement over 4 years and 70% by expenditure of a further $2 million over 2 years
9	SA	Option Agreement ML5023	MXR *and* Christopher Wells	MXR has purchased the rights to explore the property for a 2 year period and has an option to purchase during that period
10	WA	Narndee - Corporate Group Agreement	MXR *and* Corporate Resource Consultants Pty Ltd and Bruce Robert Legendre and TE Johnston and Associates Pty Ltd	MXR has purchased a 90% interest in an exploration licence package in the Narndee-Windimurra region

NOTE 12 FINANCIAL ASSETS

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Available for sale financial assets	-	-	3,992,643	9,579,500
Available for sale financial assets comprise				
Listed investments at fair value	-			
– Shares in listed corporations	-	-	3,992,643	9,579,500
Total available for sale financial assets	-	-	3,992,643	9,579,500

At 29th September 2008, the market value of Eromanga Uranium Limited shares was $0.045 per share.

Maximus Resources limited holds 44,357,143 shares in Eromanga Uranium Limited.

NOTE 13. CONTROLLED ENTITIES

Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%)	
		2008	2007
Parent Entity			
Maximus Resources Limited	Australia		
Subsidiaries of Maximus Resources Limited			
Eromanga Uranium Limited	Australia	35.4	35.4

Maximus Resources Limited holds 35.4 % of the Issued Capital of Eromanga Uranium Limited. Additionally, three of the Directors of Maximus Resources Limited are also Directors of Eromanga Uranium Limited. As a result, Eromanga Uranium Limited has been consolidated with Maximus Resources Limited for the purposes of this financial report.

NOTE 14. PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Plant and equipment at cost	1,516,220	723,866	1,046,109	347,356
Accumulated depreciation	(169,503)	(49,422)	(97,318)	(33,146)
Total Plant and Equipment	1,346,717	674,444	948,790	314,210

Movements in carrying amounts:

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Consolidated Group		Parent Entity	
	Plant and Equipment	Total	Plant and Equipment	Total
Balance at 1 July 2007	674,444	674,444	314,210	314,210
Additions	792,354	792,354	698,753	698,753
Depreciation	(120,081)	(120,081)	(64,172)	(64,172)
Balance at 30 June 2008	1,346,717	1,346,717	948,790	948,791

NOTE 15. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Exploration and evaluation expenditure capitalised				
– Exploration and evaluation phases – 100% owned tenements	12,791,471	88,304	12,791,471	-
– Exploration and evaluation phases – Joint Ventures	16,686,351	10,996,847	8,168,605	8,499,156
Total exploration and evaluation expenditure	29,477,822	11,085,151	20,960,076	8,499,156

Movements in carrying amounts:

Exploration and evaluation

	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Balance at the beginning of the year	11,085,151	4,097,697	8,499,156	4,097,697
Amounts capitalised during the year	18,565,289	6,987,454	12,633,538	4,401,459
Reductions through write off	(172,618)	-	(172,618)	-
Carrying amount at the end of year	29,477,822	11,085,151	20,960,076	8,499,156

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 16. TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Unsecured				
Trade payables	1,528,414	517,842	1,028,596	382,258
Sundry payables and accrued expenses	63,125	72,466	48,125	20,280
Amounts payable to associated companies for management services	-	41,768	-	20,884
	1,591,539	632,076	1,076,721	423,422

NOTE 17. SHORT-TERM PROVISIONS

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Employee entitlements	47,957	18,377	23,764	6,019
Opening balance at 1 July 2007	18,377	-	6,019	-
Additional provisions	97,640	34,054	40,130	8,635
Amounts used	(68,060)	(15,677)	(22,385)	(2,616)
Balance at 30 June 2008	47,957	18,377	23,764	6,019

NOTE 18. ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
143,840,792 (2007: 74,792,087) fully paid ordinary shares	27,046,405	10,133,983	27,046,405	10,133,983

Ordinary Shares

	Number	Number	Number	Number
At the beginning of the period	74,792,087	64,977,921	74,792,087	64,977,921
Shares issued during the year				
– 3 November 2006		600,000		600,000
– 29 November 2006		1,800,000		1,800,000
– 17 April 2007		7,346,666		7,346,666
– 6 June 2007		67,500		67,500
– 02 July 2007	7,500,000		7,500,000	
– 12 July 2007	31,400		31,400	
– 25 July 2007	11,000,000		11,000,000	
– 26 July 2007	31,250		31,250	
– 31 July 2007	554,300		554,300	
– 14 August 2007	442,650		442,650	
– 20 September 2007	406,674		406,674	
– 03 October 2007	5,000		5,000	
– 02 November 2007	333,019		333,019	
– 09 November 2007	530,500		530,500	
– 07 December 2007	47,381,681		47,381,681	
– 11 December 2007	190,000		190,000	
– 31 January 2008	155,400		155,400	
– 31 March 2008	15,125		15,125	
– 10 April 2008	4,550		4,550	
– 29 May 2008	5,000		5,000	
– 10 June 2008	48,900		48,900	
– 17 June 2008	95,706		95,706	
– 24 June 2008	317,550		317,550	
At reporting date	143,840,792	74,792,087	143,840,792	74,792,087

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

For information relating to the Maximus Resources Limited Employee option plan including details of options issued and exercised during the financial year and the options outstanding at year end refer to Note 22 Share Based Payments.

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	Number of Options	Number of Options	Number of Options	Number of Options
Outstanding at the beginning of the year	35,084,583	34,222,083	35,084,583	34,222,083
Granted	33,456,230	930,000	33,456,230	930,000
Exercised	(10,634,200)	(67,500)	(10,634,200)	(67,500)
Expired	(22,700,578)	-	(22,700,578)	-
Outstanding at the end of the year	35,206,035	35,084,583	35,206,035	35,084,583
Exercisable at year end	35,206,035	35,084,583	35,206,035	35,084,583

NOTE 18. ISSUED CAPITAL continued

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group has no debt The gearing ratio's for the year ended 30 June 2008 and 30 June 2007 are in line with policy:

NOTE 19. RESERVES

Share Option Reserve

The Share Option Reserve records items recognised as expenses on valuation of employee options and options issued to external parties in consideration for goods and services rendered.

NOTE 20. COMMITMENTS FOR EXPENDITURE

Exploration Licences

In order to maintain current rights of tenure to exploration tenements the group will be required to outlay in the year ending 30 June 2009 amounts of approximately $2,890,000 in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

NOTE 21. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax.

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Profit/(Loss) after tax	(1,120,511)	(812,172)	(1,233,339)	6,367,801
Non-cash flows in loss				
Depreciation	120,081	44,659	64,172	28,383
Issue of options to employees	179,290	102,009	110,093	56,730
Deferred tax asset written off	-	29,355	-	-
Sale of subsidiary	-	-	-	(9,559,999)
Exploration expenditure written off	459,172	-	459,172	-
Income tax expense	242,143	-	269,137	-
Changes in operating assets and liabilities				
Decrease/(Increase) in trade and other receivables	(192,117)	(277,887)	(280,905)	(12,570)
Increase/(Decrease) in trade and other payables	959,463	-	653,299	-
Increase/(Decrease) in provisions	29,580	18,378	17,745	2,572,416
Net cash provided by operating activities	677,101	(895,658)	59,374	(547,239)

NOTE 22. SHARE-BASED PAYMENTS

The following share-based payment arrangement existed at 30 June 2008:

The Maximus Resources Limited Employee Share Option Plan enables the board, at its discretion, to issue options to employees of the Company or its associated companies. Each option will have a life of five years and be exercisable at a price determined by the board. This price will not be below the market price of a share at the time of issue.

On 17 March 2008 890,000 options were issued to employees under the Company's employee option plan. The options are exercisable at 18 cents on or before 17 March 2013. The options hold no voting or dividend rights.

	Consolidated Group				Parent Entity			
	2008		2007		2008		2007	
	Number of Options	Weighted average Exercise Price Cents	Number of Options	Weighted average Exercise Price Cents	Number of Options	Weighted average Exercise Price Cents	Number of Options	Weighted average Exercise Price Cents
Outstanding at the beginning of the year	895,000	14.0	-	-	895,000	14.0	-	-
Granted	890,000	18.0	930,000	14.0	890,000	18.0	930,000	14.0
Exercised	(125,000)	14.0	(35,000)	14.0	(125,000)	14.0	(35,000)	14.0
Expired	-	-	-	-	-	-	-	-
Outstanding at the end of the year	1,660,000	16.1	895,000	14.0	1,660,000	16.1	895,000	14.0
Exercisable at year end	1,660,000	16.1	895,000	14.0	1,660,000	16.1	895,000	14.0

The options outstanding at 30 June 2008 had a weighted average exercise price of 16.1 cents and a weighted average remaining contractual life of 55 months. Exercise prices range from $0.14 to $0.18 in respect of options outstanding at 30 June 2008.

The weighted average fair value of the options granted during the year was $0.124.

This price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.18
Weighted average life of the option	5 years
Underlying share price	$0.18
Expected share price volatility	81.9%
Risk free interest rate	8.0%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under "Administrative Expense" in the income statement is $110,093 (2007: $56,730) which relates to share-based payments in accordance with the Company Employee Share Option Plan.

NOTE 23. EVENTS AFTER THE BALANCE SHEET DATE

No circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

NOTE 24. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Associated companies

- Administrative services were provided by FME Exploration Services Pty Ltd to Maximus Resources Limited for $871,180.
- Maximus Resources Limited advanced FME Exploration Services Pty Ltd $264,620 to fund working capital.

Other Related Parties

- Payments during the period to Flinders Mines Limited for expenses incurred on behalf of Maximus Resources Limited totalled $14,968.
- Receipts from Flinders Mines Limited during the period for expenses incurred on their behalf totalled $3,130.
- Flinders Mines limited exercised 3,500,000, 20 cent options in Maximus Resources Limited for a total value of $700,000.

NOTE 25. SEGMENT INFORMATION

The entity operates predominately in the mining industry, in Australia and as such has no material reportable segments.

NOTE 26. FINANCIAL INSTRUMENTS

a. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to subsidiaries.

i Treasury Risk Management

The senior executives of the group regularly analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii Financial Risks

The main risk the group is exposed to through its financial instruments is liquidity risk.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available to meet the cash demands.

b. Financial Instruments

i) Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Non-interest Bearing	Total
2008				
Financial Assets				
Cash and cash equivalents	7.9	10,732,827	-	10,732,827
Receivables	-	-	1,089,747	1,089,747
Total Financial Assets		10,732,827	1,089,747	11,813,574
Financial Liabilities				
Payables	-	-	1,591,539	1,591,539
Total Financial Liabilities		-	1,591,539	1,591,539
2007				
Financial Assets				
Cash and cash equivalents	6.5	12,354,511	-	12,354,511
Receivables	-	-	633,010	633,010
Total Financial Assets		12,354,511	633,010	12,987,521
Financial Liabilities				
Payables	-	-	632,076	632,076
Total Financial Liabilities		-	632,076	632,076

ii) Net Fair Values

The Company's financial assets and liabilities are included in the balance sheet at amounts that approximate net fair value.

iii) Sensitivity analysis

Interest rate risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk, at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

NOTE 26. FINANCIAL INSTRUMENTS continued

Interest rate sensitivity analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Change in profit				
Increase in interest rate by 2%	214,656	247,090	83,875	6,267
Decrease in interest rate by 2%	(214,656)	(247,090)	(83,875)	(6,267)
Change in equity				
Increase in interest rate by 2%	214,656	247,090	83,875	6,267
Decrease in interest rate by 2%	(214,656)	(247,090)	(83,875)	(6,267)

NOTE 27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 6	Exploration for and Evaluation of Mineral	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.1.2009
	AASB 107	Cash Flow Statements			
	AASB 116	Property, Plant and Equipment			
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

NOTE 28. COMPANY DETAILS

The principal place of business and registered office is:

Maximus Resources Limited

62 Beulah Road

Norwood

South Australia 5067

Directors Declaration

The directors of the Company declare that :

1 the financial statements and notes, as set out on pages 12 to 29 are in accordance with the Corporation Act 2001 and:

   a comply with Accounting Standards and the Corporations Regulations 2001; and

   b give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and consolidated group;

2 the Managing Director and Chief Finance Officer have each declared that:

   a the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   b the financial statements and notes for the financial year comply with the Accounting Standards; and

   c the financial statements and notes for the financial year give a true and fair view

3 In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert M Kennedy
Director

Dated this 30th day of September 2008

Grant Thornton

Grant Thornton South Australian Partnership
ABN 27 244 906 724

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide

T 61 8 8372 6666
F 61 8 8372 6677
E info@gtsa.com.au
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Maximus Resources Limited (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED Cont

Auditor's Responsibility Cont

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a the financial report of Maximus Resources Limited is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED Cont

Auditor's Opinion

In our opinion the Remuneration Report of Maximus Resources Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

GRANT THORNTON
South Australian Partnership
Chartered Accountants

S J Gray
Partner

Signed at Adelaide on this 30th day of September 2008