



Maximus Resources Ltd ABN 74 111 977

SUMMARY

SOUTH AUSTRALIAN GOLD

ADELAIDE HILLS GOLD PROJECT

- ▶ Following the intersection of 3 metres at 30.3 grams per tonne gold at the Deloraine prospect in the previous quarter, a follow-up drill program has been scheduled to commence in February 2011. The aim of the on-going drilling is to identify continuation of the mineralisation at depth and along strike of the previous mining operations. Results from the program are expected in April 2011.

QUEENSLAND GOLD

SELLHEIM PROJECT

- ▶ Production performance continued to improve at the commencement of the quarter with throughput of up to 30 lcm (loose cubic metres) per hour achieved, however throughput and plant total operating hours continued to be hampered by unseasonable wet weather resulting in a total of 30 days lost production. Plant recovery of 153 ounces gold doré at an average grade of 0.53 g/lcm was slightly below forecast. Below forecast head grade was the result of mining in sub-optimal areas due to saturation of the exposed higher grade zone and the inability to process the wet feed.

NORTHERN TERRITORY

WOOLANGA PROJECT (Strangways Agreement)

- ▶ NuPower has advised that REE-bearing pegmatites were found during a recent exploration work. In addition to the rare earth element results, highly anomalous values for a number of elements including barium, rubidium, strontium and scandium are also present. NuPower has arranged with Arafura Resources Ltd to assist with the exploration program by providing technical support (on a commercial basis) with geological and metallurgical studies.

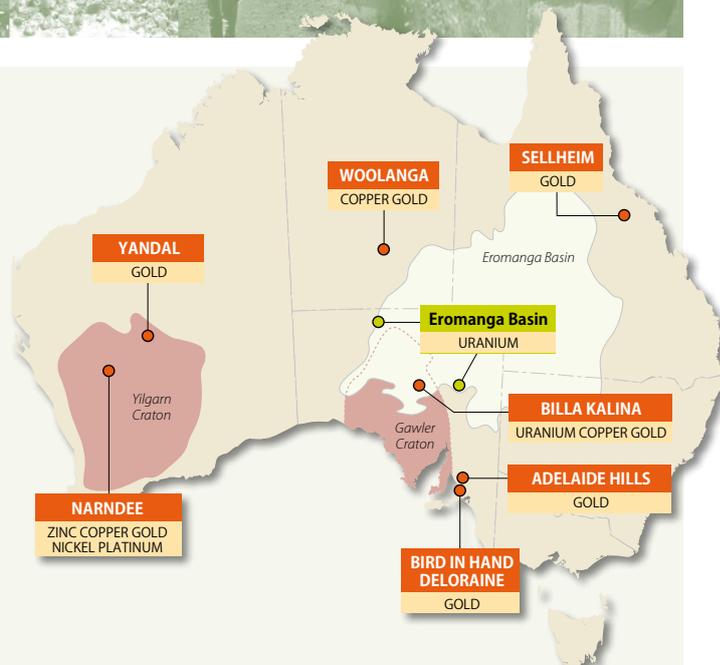


Figure 1 Location of Maximus Projects.

- ▶ NuPower's future exploration will include a thorough evaluation of previous work, more detailed mapping and geochemical sampling and possible airborne geophysics.

WESTERN AUSTRALIA

NARNDÉE PROJECT

- ▶ A ground EM survey program was completed to follow up selected anomalies identified from the extensive airborne EM survey undertaken by the Company in 2008. The survey focused on eight high priority anomalies, with follow-up activities planned in the near future on remaining highly prospective anomalies. A preliminary review of results confirms the highly prospective nature of the tenements and further follow-up exploratory work is planned.

CORPORATE

- ▶ The Company undertook a capital raising in November totalling \$650,000 before costs. The capital will be used to fund ongoing exploration drilling on the Deloraine and Eureka projects in the Adelaide Hills.

DEVELOPMENT and EXPLORATION ACTIVITIES

QUEENSLAND

SELLHEIM GOLD PROJECT

Maximus 100%

The Sellheim Gold Project covers some 75 square kilometres of tenements in a known alluvial–hardrock gold province on the northern portion of the highly prospective Drummond Basin in north Queensland (Figures 1 and 2).

Following completion of the modifications on the existing test plant to bring it to production capability in the previous quarter, attention focussed on increasing throughput of the plant. During the December quarter, 8,694 lcm were treated for the recovery of 153 ounces of gold doré. This production equates to a recovered grade of 0.53 g/lcm which is slightly below forecast with the mine plan. A total of 30 days production was lost due to unseasonable wet weather conditions. Gold sales for the quarter totalled \$178,985.

No nugget sales were made during the quarter, however the decision was made to divest all remaining nuggets as direct sales or through the mint during Q1 2011.

The unusually wet conditions throughout the quarter severely hampered total plant throughput, however continued improvement to the average plant throughput has shown a progressive increase during the quarter from 24 lcm/hr in September to an average of 29 lcm/hr in the December quarter. Recovered grade reduced slightly from 0.58 in September to 0.53 g/lcm in December due primarily to the loss of higher grade areas due to saturation of the blocks, making

it impossible to process through the plant. The head grade and recovered grade is expected to recover once higher grade areas become available for processing in the near future. Work continues on improving plant operating performance.

SOUTH AUSTRALIA

ADELAIDE HILLS PROJECT

Maximus 100%

The Adelaide Hills project, located immediately east and north of Adelaide, comprises some 3,500 square kilometres of contiguous exploration licences and applications covering numerous gold and base metal occurrences (Figures 1 and 3) and includes the Company's wholly owned high grade gold resource at the Bird in Hand deposit. As previously announced, the intent of the current exploration drilling program is to identify additional resource potential on the Deloraine, Deloraine Queen and Eureka prospects to supplement the previously reported high grade resource of 237,000 ounces at 12.3 g/t Au (ASX release on 8 August 2008) at the Company's Bird in Hand deposit at Woodside (Figure 4).

The Company was pleased to announce assay results for the first two holes of the 2010 program at its wholly owned Deloraine gold prospect in the Adelaide Hills, South Australia (ASX release on 5 October 2010). The initial results were from the first drilling program by Maximus on the Deloraine and Deloraine Queen Mines which operated between 1909 and 1941 with reported production of 33,270 ounces of gold from 48,700 tonnes at a grade of approximately 20 grams per tonne (g/t) gold (Au) with by-product copper and silver.

DeIDDH01, designed to intersect the southerly plunging Central Shoot approximately 60 m down plunge from the historical development returned an intersection of one metre (m) at 1.07 g/t Au.

DeIDDh02 was as an aggressive depth step-out to determine if mineralisation persists at depth, and targeted a position approximately 150 m to 200 m beneath the historic working. Results from this hole included an intersection of 3 m at 30.3 g/t Au. Coarse disseminated gold was observed associated within quartz–carbonate–chalcopyrite veins within a wider interval of altered, brecciated, and quartz carbonate veined metamorphosed sedimentary rocks.

DeIDDh03 targeted the Southern Shoot, and intersected quartz–carbonate–chalcopyrite veining over a one metre interval returning an assay of 2.0 g/t (MXR AGM 18 November 2010 – Chairman's presentation).

The fourth hole, DeIDDH04 designed to intersect the Northern Shoot, beneath the deepest of the historical workings returned no significant assay results.

Subsequent to the end of the quarter, the Company announced that it had approved the continuation of this drill program at Deloraine, Deloraine Queen and Eureka to commence in February 2011. The program includes up to 10 holes for total of 2200 metres to test the continuation of mineralisation at depth adjacent to DeIDDH02 (3 m at 30.3 g/t)



Figure 2 Location of Sellheim Project showing tenement holdings and estimated resources.

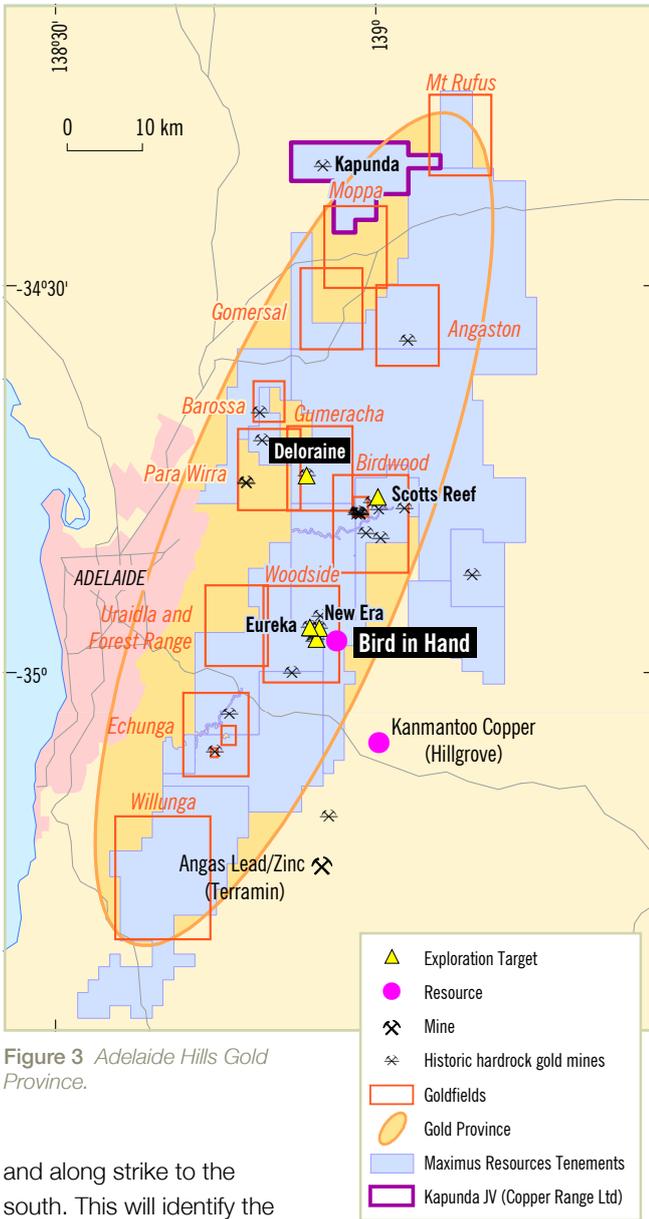


Figure 3 Adelaide Hills Gold Province.

and along strike to the south. This will identify the potential lateral extent of the mineralisation.

Further work is required to better understand the distribution and controls on mineralisation and location of high grade gold bearing shoots within the mineralised system at Deloraine. The Company is encouraged with the apparent strong mineralisation encountered at depth in Hole No. 2 and aims to build on this in the model.

Initial rock chip samples taken from a mullock pile at the Company's Eureka project, located approximately two kilometres from the Bird in Hand deposit, returned encouraging results including 2.74 g/t Au. The full analysis of these two samples identified a more poly-metallic nature to the mineralisation at the Eureka prospect, requiring further analysis.

However, unseasonable wet weather at Eureka prevented the Company from completing the necessary preparatory work to allow drilling to commence in 2010. The Eureka drill program is now planned to proceed immediately following the scheduled Deloraine program.

KAPUNDA JOINT VENTURE

Maximus diluting to 25% subject to Kapunda JV Agreement

The Kapunda Joint Venture covers the NW portion of the Adelaide Hills Gold Province and the historic copper mining area of Kapunda (Figure 3). Joint Venture manager, Copper Range Limited (CRJ), has advised that no activities were undertaken during the Quarter.

BILLA KALINA PROJECT

Maximus diluting to 50% subject to Billa Kalina JV Agreement

The Billa Kalina project area comprises five exploration licences located 70 km northwest of the Olympic Dam copper-uranium-gold (IOCGU) mine and 45 km east of the Prominent Hill copper-gold deposit (Figure 1). The project area is situated within the recently defined Restricted Zone of the larger Woomera Prohibited Area (WPA).

The Federal Government initiated a review into the long-term use of the WPA. The review will incorporate broad consultation with stakeholders including the South Australian Government, the resource sector, pastoral and indigenous groups, and relevant Australian Government agencies. Maximus' JV partner, ERO submitted comment on the Government Review of the WPA Interim Report. The ERO submission has been posted on the Defence website and can be accessed at: defence.gov.au/woomerareview/comments/ERO.pdf

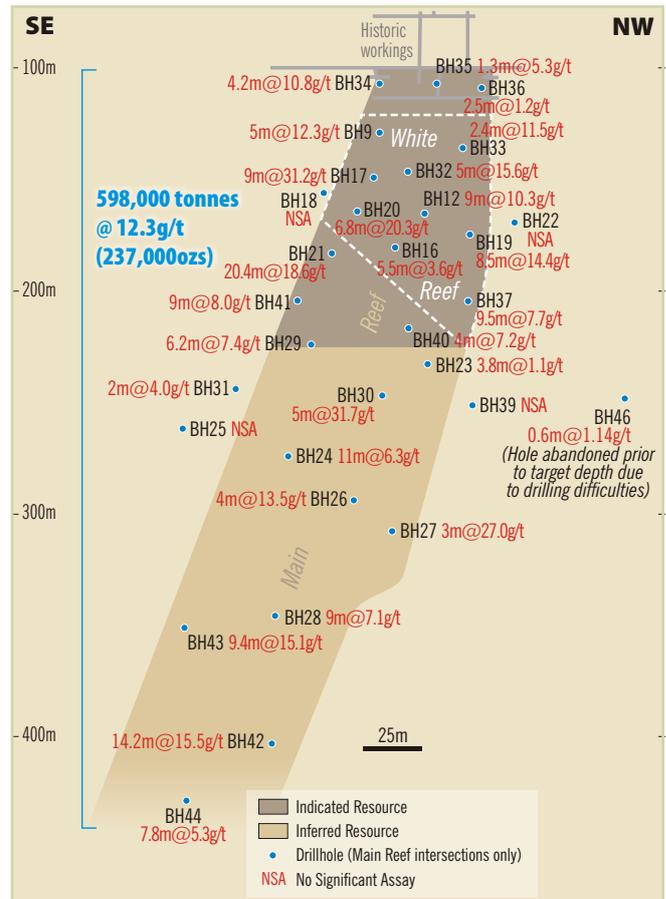


Figure 4 Long projection showing Bird in Hand resource status.

Recent detailed analysis of all previous gravity survey data at Billa Kalina has highlighted a potentially significant single point gravity anomaly at Peeweena Dam, proximal to the western margin of ELA78/10. The anomalous point has an amplitude of approximately 10 mgal and was originally recorded within a 6–7 km spaced gravity survey completed by the Bureau of Mineral Resources. Based upon nearby drilling undertaken by ERO, the anomaly is interpreted to lie adjacent to a major structurally controlled contact between Archaean basement to the west and Proterozoic/Palaeozoic sediments to the east and believes it is prospective for IOCGU mineralisation.

The Company is awaiting a response from the Defence Department on the outcome of the review of the long term use of the WPA.

EROMANGA SEDIMENTARY URANIUM PROJECT

Maximus diluting to 30% subject to Eromanga JV Agreement

The Eromanga joint venture project areas, comprising Abminga, Marree and Kingoonya projects, are situated along the margins of the Eromanga Basin in South Australia and Northern Territory (Figure 1). No significant activities were undertaken during the quarter.

Abminga and Marree Projects

The joint venture operator, ERO Mining, is in the process of reviewing the Abminga and Marree Projects data, but reported no significant ground based exploration activities were undertaken on the projects during the quarter.

WESTERN AUSTRALIA

NARDEE PROJECT

Maximus 90% to 100%

The project area is located in the Mt Magnet region of Western Australia and comprises a comprehensive package of tenements covering a total area of approximately 2,649 square kilometres over the poly-metallic mineral rich Narndee and Windimurra layered mafic complexes (Figures 1 and 5).

A ground EM survey program was completed to follow up selected anomalies identified from the extensive airborne EM survey undertaken by the Company in 2008. The survey utilised included a high DC current transmitter coil and long recording lines and focused on eight high priority anomalies, with follow-up activities planned in the near future on remaining highly prospective anomalies. A preliminary review of data received confirms the highly prospective nature of the region. Further exploratory work is required based on these recent results, and shall be planned for later this year.

YANDAL

90% Maximus

The Yandal project area comprises two tenement packages situated near Wiluna and located within the highly prospective Yandal Greenstone Belt (Figure 1).

During the quarter negotiations were held with several parties regarding possible divestment.

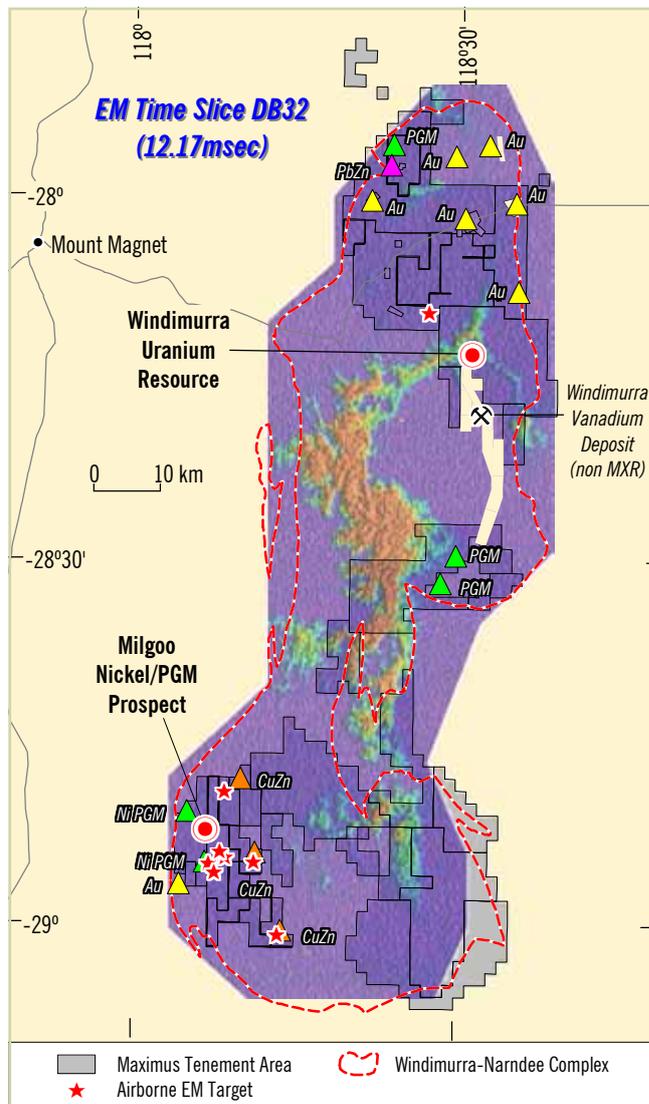


Figure 5 Narndee base metals and uranium tenements, showing airborne EM survey.

NORTHERN TERRITORY

WOOLANGA PROJECT

Maximus 100%, diluting in part to 51%, subject to the Strangways Agreement

The Woolanga project area comprises five exploration licences covering 1700 square kilometres that are located 100 km northeast of Alice Springs (Figure 1). Part of the tenure is the subject of an 'Energy Metals' specific exploration agreement with NuPower Resources Limited (NuPower).

NuPower has advised that REE-bearing pegmatites were found during a recent exploration work to follow up airborne radiometric anomalies and anomalous stream sediment geochemistry from an earlier NuPower sampling program. Limited surface rock chip sampling and mapping of part of the coincident uranium–thorium anomaly beneath the Southern Pegmatite Prospect returned an average grade of 0.47% Total Rare Earth Oxides (TREO) with the highest being 1.09% TREO. In addition to the rare earth element results, highly anomalous values for a number of elements including barium, rubidium, strontium and scandium are also present.

Further north within the JV area carbonatites are known from the Bleechmore Dykes area that are now of particular interest since the majority of global rare earth occurrences are associated with these rare and unusual types of intrusive rocks.

Following NuPower's discovery of extensive rare earth element (REE) bearing pegmatites on the Strangways joint venture tenements the Company has arranged with Arafura Resources Ltd to assist with the exploration program by providing technical support (on a commercial basis) with geological and metallurgical studies.

NuPower's exploration will include a thorough evaluation of previous work, more detailed mapping and geochemical sampling and possible airborne geophysics. This work is expected to lead to exploratory drilling.

CORPORATE

In December, Mr Kevin Malaxos was appointed Managing Director. Mr Malaxos has 25 years' experience in the resources sector in senior management and executive roles, managing surface and underground mining operations and he brings a wealth of experience in project evaluation and development, project approval and Government liaison.

As reported subsequent to the previous quarterly report, Maximus received a rebate of \$332,000 under the Federal Government's Research and Development Tax Concession Program. This rebate reflects research and development conducted in 2008-2009 by the Company on several of its projects, in particular Sellheim in Queensland and our Bird in Hand project in the Adelaide Hills.

The Company undertook a capital raising in November 2010, issuing 39,186,755 shares at 1.7 cents to sophisticated and professional investor clients of Patersons Securities Limited raising \$650,000 before costs. The capital will be used to fund the recently announced drilling program on the Deloraine and Eureka projects in the Adelaide Hills region of South Australia.

The Company concluded negotiations for the sale of its 90% interest in the Ironstone Well project in Western Australia during the quarter. The details of the sale were announced in October (ASX release 28 October 2010) involve Orex Mining Pty Ltd taking Maximus' 90% interest in the gold project, with Maximus receiving a production royalty capped at \$4 million. The company also divested the majority of its Iron Ore rights to a private company, Nemex Ventures Pty Limited. Maximus shall relinquish 70% of its iron ore rights for a total of \$0.5 million. Importantly, Maximus retains 20% rights to the iron ore potential on the tenement. Further information is available on the ASX release or by contacting the Company.



Kevin Malaxos
Managing Director

31 January 2011

For further information please contact:

Maximus Resources Limited
on 08 8132 7960, or

Investor relations:

Mr Duncan Gordon
Executive Director, Adelaide Equity Partners
on 08 8232 8800 or 0404 006 444

The information in this report relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Stephen Hogan who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hogan is an employee of ERO Mining Ltd who has been seconded to Maximus Resources Limited. He has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and consents to the inclusion of the information in this report in the form and context in which it appears. Mr Hogan qualifies as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

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

www.maximusresources.com

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Maximus Resources Limited

ABN

74 111 977 354

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	179	324
1.2 Payments for		
(a) exploration & evaluation	(345)	(781)
(b) development		
(c) production	(69)	(114)
(d) administration	(515)	(905)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	15	33
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	331	331
Net Operating Cash Flows	(404)	(1,112)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(2)	(10)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities	-	75
1.12 Other (provide details if material)		
Net investing cash flows	(2)	65
1.13 Total operating and investing cash flows (carried forward)	(406)	(1,047)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(406)	(1,047)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	598	598
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	598	598
	Net increase (decrease) in cash held	192	(449)
1.20	Cash at beginning of quarter/year to date	695	1,336
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	887	887

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	420
4.2 Development	
4.3 Production	90
4.4 Administration	35
Total	545

Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	537	195
5.2 Deposits at call	350	500
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	887	695

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E58/270	Expired 27/10/10	100%	nil
	P58/1450	Surrendered 17/12/10	100%	nil
	E53/1223&1224, P53/1308 to 1323	Sold to Orex Mining P/L 28/10/10	90%	nil

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	300,431,035	300,431,035		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,186,000	39,186,000	\$0.017	\$0.017
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	380,000 3,000,000 3,000,000 605,000 1,735,000		<i>Exercise price</i> \$0.14 \$0.50 \$0.05 \$0.18 \$0.04	<i>Expiry date</i> 20/03/2012 02/07/2012 26/08/2012 17/03/2013 03/02/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

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



Sign here:

(Company Secretary)

Date: 31 January 2011

Print name: David W Godfrey

Notes

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

+ See chapter 19 for defined terms.