

Maximus Resources Ltd ABN 74 111 977

SUMMARY

SOUTH AUSTRALIA

ADELAIDE HILLS GOLD PROJECT

A detailed review of all data available on the Adelaide Hills tenements will commence in Q1 2012 to prioritise future exploration works and commence rationalising the tenement holding.

No further exploration drilling is planned on the Adelaide Hills tenements until the detailed review is completed and a clear picture of all opportunities is available.

No significant on-ground activities were undertaken during the quarter.

BILLA KALINA PROJECT

Maximus's joint venture partner ERO Mining Ltd resubmitted an application to access the WPA for exploration purposes. An Access Deed was supplied by the Defence Department which required sign-off by the tenement holder; in this case Flinders Mines Ltd.

ERO Mining Ltd initially anticipated approval to conduct a ground gravity survey over the Peeweena Dam area on the EL (ELA 78/10) in quarter 4, 2011. However, as a result of the delay signing the Access Deed by the tenement holder, approval by the Defence department is not anticipated until June/July 2012.

A decision will then be made on follow-up drilling requirements on the anomaly.

QUEENSLAND GOLD

SELLHEIM PROJECT

The site performance again suffered from mechanical failure of plant and the early onset of the wet season.

A total of 2,157 lcm was treated for a total of 26.35 ounces, at an average grade on 0.38 g/lcm.

All remaining nugget gold from the nugget sales program was submitted for processing resulting in an additional 604.4 grams (21.3 ounces) received for the quarter.

All operational activities ceased on 30 November, all personnel (excluding the project Manager) were paid out their entitlements and the site prepared for the onset of the wet season.

Three parties expressed an interest in purchasing the Sellheim project, and site visits were conducted during the quarter. Two submissions were received to purchase the project and negotiations have resulted in a Sales Deed being prepared. The document is progressing through the final legal review prior to being presented to Maximus.

The project has now been placed on care and maintenance pending completion of the sale process.

Subsequent to the end of the quarter the Sales Deed was signed by the Maximus Board.

NORTHERN TERRITORY

WOOLANGA PROJECT (Strangways Agreement)

No significant on-ground activities were completed during the quarter.

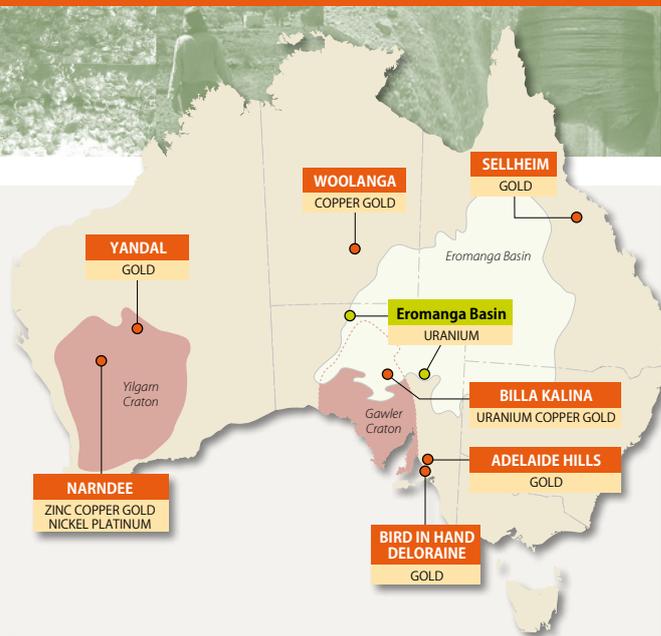


Figure 1 Location of Maximus Projects.

Rock chip samples were collected and dispatched for analysis in the June quarter and results expected in November 2011. At the time of reporting results were not available.

Maximus's Joint Venture partner Nupower Resources still regards the Strangways tenements as highly prospective for rare earth element (REE) in carbonatites and pegmatites.

WESTERN AUSTRALIA

NARDEE PROJECT

Following the detailed evaluation and analysis of the Nardee tenements in July, 18 high priority targets were identified for follow-up exploration. These targets were then prioritized and the six most significant targets selected for further detailed exploratory works in 2011/12.

The first stage of this follow-up exploration program commenced with a ground gravity survey of two of the highest priority targets in October 2011. The results further confirm the company's view of the highly prospective nature of the tenements and it is finalising arrangements for a nine hole exploration drill program in Q1 2012.

The Reverse Circulation (RC) drill program will target three discreet anomalies with coincident EM and gravity features including historic elevated zinc grades.

CORPORATE

The Company announced a capital raising via a 1 for 1 non-renounceable rights issue on 9 December 2011 targeting \$1.926 million before costs at an offer price of \$0.005 per share.

The Rights Issue opened on the 28 December 2011 and was scheduled to close on 17 January 2012. Subsequent to the end of the quarter, the closing date of the Rights Issue was extended to 31 January 2012 to allow sufficient time for all shareholders to review the documentation, taking into account the holiday period and reported delays in receiving individual's entitlement paperwork via mail.

Capital raised is intended to fund the initial Nardee exploration drill program and general working capital for the company. Depending on a successful outcome of the first drill program at Nardee planned for Q1 2012 and capital funds available, funding may be allocated to further follow-up drilling and field investigations on the Nardee tenements.

DEVELOPMENT and EXPLORATION ACTIVITIES

SOUTH AUSTRALIA ADELAIDE HILLS PROJECT

100% Maximus (excluding Diamond rights with Flinders Mines Ltd)

The Adelaide Hills project located immediately east of Adelaide, comprises some 1,913 square kilometres of contiguous exploration licences covering numerous gold and base metal occurrences (Figures 1 and 2) and includes the Company's wholly owned Bird in Hand deposit near Woodside.

The company plans to commence a detailed evaluation of all historic and more recent data in Q1 2012 to prioritize future exploration opportunities and rationalise the tenement holding if required. As a result of the planned re-evaluation program, no further drilling activities are planned on the Adelaide Hills tenements in 2012 until the review is completed and a clear picture of all opportunities is presented.

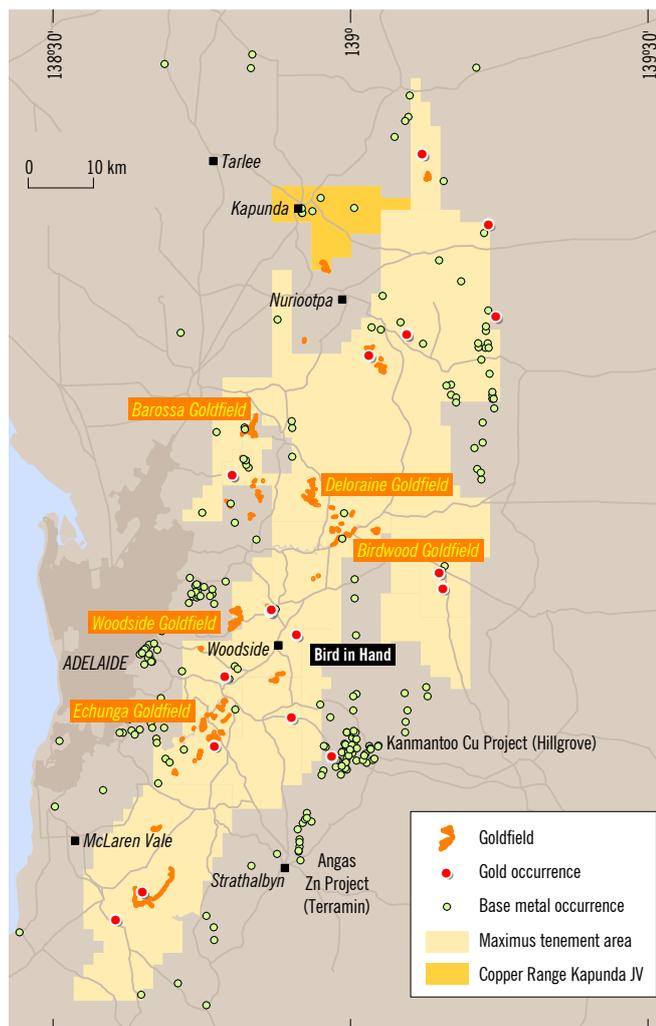


Figure 2 Adelaide Hills Gold Province.

The company remains committed to its Adelaide Hills project, in particular the Bird in Hand project and is committed to progressing the project into operation at the earliest available time.

No significant on-ground activities were undertaken during the December quarter.

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 2). The Joint Venture manager, Copper Range Limited (CRJ) advised the company during the quarter that it intended to withdraw from the Joint Venture Agreement.

No significant activities were undertaken during the quarter.

BILLA KALINA PROJECT

Maximus 100% diluting to 50% subject to Billa Kalina JV Agreement

The Billa Kalina project area comprises four exploration licences located 70 km northwest of the Olympic Dam iron ore-copper-uranium-gold (IOCGU) mine and 45 km east of the Prominent Hill copper-gold deposit (Figures 1 and 3). The project area is situated within the recently defined Restricted Zone of the Woomera Prohibited Area (WPA)

During the year, the Federal Government released its final report on the enquiry into mining and military activities in the Woomera Prohibited Area (WPA) and confirmed that both can co-exist and announced approval of mineral

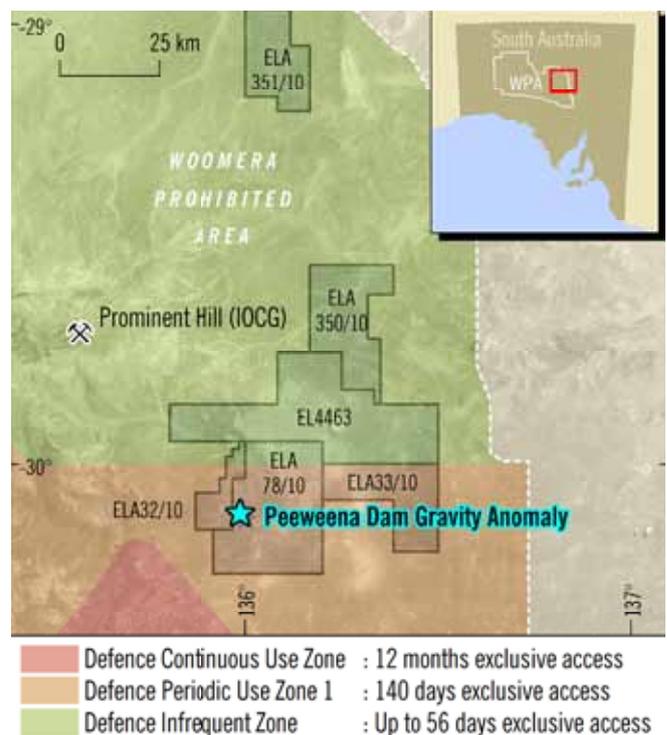


Figure 3 Location of Peeweena Dam Gravity Anomaly and IOCGU mines in relation to the Indicative Zoning of the Woomera Prohibited Area, May 2011.

exploration and mining in certain zones of the Woomera Prohibited Area (WPA), subject to certain restrictions. The WPA has been broken into zones indicated by days of exclusive use by the Department of Defence (Defence).

ERO Mining Ltd submitted an application to the Defence department to conduct a ground gravity survey over the Peeweena Dam anomaly on the EL (ELA 78/10). A draft access agreement was negotiated between the parties, but required sign-off from the registered tenement holder, Flinders Mines Ltd. As a result of delays in signing the Defence Department Access Deed, it appears unlikely to be signed until Q2 2012.

During the quarter no ground based exploration activities were undertaken on the Billa Kalina tenements.

EROMANGA SEDIMENTARY URANIUM PROJECT

Maximus diluting to 30% subject to Eromanga JV Agreement

The Eromanga joint venture project areas, comprising Abminga and Marree projects, are situated along the margins of the Eromanga Basin in South Australia (Figure 1).

The joint venture operator, ERO Mining Ltd, reported no significant ground based exploration activities undertaken on the projects during the quarter.

QUEENSLAND SELLHEIM GOLD PROJECT

Maximus 100%

The Sellheim Gold Project covers some 75 square kilometres of tenements in a known alluvial/eluvial – hardrock gold province on the northern portion of the highly prospective Drummond Basin in north Queensland (Figures 1 and 4).

Site performance throughout the quarter was severely restricted due to equipment failure and the early onset of heavy rains in the region. The failure of the Knelson concentrator late in September reduced output in the first two weeks of the quarter, whilst a replacement bowl was sourced and installed onsite. Ore processing recommenced on 17 October and consistent rates of 19-20 LCM per hour were achieved.

A routine inspection of the tails pump identified the onset of separation of the protective lining, so throughput was reduced in an effort to protect the unit until a replacement could be sourced. The unit failed catastrophically on Monday 24 October forcing a further shutdown of the plant whilst parts were sourced and delivered. A two week delay resulted due to the age and type of unit and the lack of supply of suitable parts. The unit was rebuilt and re-installed on 4 November and stockpiled ore treated over the weekend in an attempt to recover lost production.

Heavy rains then commenced in the region, with 95 mm falling during the week preventing access to site. Persistent rains over the fortnight ending 18 November resulted in

suspension of all mining operations and termination of all production personnel.

Senior staff remained onsite to finalise site clean-up in preparation for the wet season, process remaining stockpiles of ore and prepare equipment for an extended shutdown over the Wet season.

During the December quarter only 2,157 lcm of ore was treated at a recovered grade of 0.38 grams per tonne for a total of 26.35 ounces of recovered gold. A further 604.4 grams (21.3 ounces) in gold nuggets were presented for processing during the quarter. No additional nuggets remain on hand.

A total of twelve days were lost due to rain throughout the quarter and a further ten days were lost due to failure of the Knelson concentrator due to separation of the inner lining. 9.5 days were lost when the tails pump failed catastrophically on 24 October 2011. All production ceased on 30 November and the site placed on care and maintenance.

A detailed review and options analysis was completed during the quarter to determine the most appropriate path forward for the Sellheim operation. Several parties approached the company with expressions of interest to conduct due diligence on the Sellheim operation with the option to purchase the project. Negotiation continued throughout the quarter with one party progressing to draft contract preparation stage.



Figure 4 Location of Sellheim Project showing tenement holdings and estimated resources.

A ground gravity survey was completed on the Narndee tenement number E59/908 in October 2011 to test the three highest priority targets identified in the tenement review process.

Results from the ground gravity survey were very good and identified three gravity "high" features that are located in zones of high EM responses. These results further strengthened the company's view that the Narndee tenements, and these southern tenements in particular remain highly prospective and may contain a significant massive sulphide structure, with potential mineralisation.

Additional on-ground exploration activities including further soil sampling programs and drilling activity and may include further ground EM survey work, shall be planned and completed as funding permits during 2011–12.

An initial Reverse Circulation (RC) exploration drill program consisting of nine holes is being scheduled to test the three anomalies identified with coincident EM and ground gravity features on E59/908. This program should commence in H1 2012, depending on equipment availability and capital funds.

YANDAL

20% Iron ore rights

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

In 2010, the company concluded negotiations for the sale of its 90% interest in the Tenements under the Flushing Meadows Agreement to Orex Mining Pty Ltd. Maximus retains 20% rights to the iron ore potential on the tenements. No significant on-ground activities were undertaken during the quarter by Orex.

Maximus also disposed of 80% of the Iron ore rights on E53/1223 under the Ironstone Well agreement to Nemex Resources. However, Maximus was notified during the quarter that Nemex did not intend to continue in the Ironstone Well agreement and elected not to meet the second scheduled payment. As a result, the Ironstone Well Agreement was terminated and Maximus retains 100% of the Iron ore rights on E53/1223.

CORPORATE

A 1 for 1 rights issue was announced on 9 December 2011, opened on 28 December and closing on 17 January 2012 intending to raise \$1.92 million before costs at an offer price of \$0.005 per share. The closing date of the Rights Issue was extended to 31 January 2012 to allow sufficient time for all shareholders to review the documentation, taking into account the holiday period and reported delays in receiving individual's entitlement paperwork via mail.

Capital raised is intended to fund the initial Narndee exploration drill program and general working capital for the company. Depending on the acceptance rate of the Rights Issue offer, funding may be available for further follow-up drilling and field investigations following success from the initial drill campaign, planned for Q1 2012.

The company has been pursuing Divestment opportunities available for the Sellheim Alluvial project in Central Queensland. At the end of the quarter, negotiations were at an advanced stage for the sale of the project to a private equity group. The aim is to complete the sale of the project in Q1 2012, and allow the company to focus on the Narndee suite of tenements.

Discussion commenced during November on a possible Joint Venture on the Bird in Hand tenement in the Adelaide Hills. These discussions are in their infancy, but the company see this as an excellent opportunity to remain actively involved in the Adelaide Hills gold province, whilst securing a joint venture partner with the financial capacity to pursue the Bird in Hand project through the approval process and into production.

Discussion will continue to pursue this option in Q1 2012.



Kevin Malaxos
Managing Director

31 January 2012

For further information please contact:

Maximus Resources Limited
on 08 7324 3172, or

Investor relations:

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

The information in this report relating to Exploration targets and Mineral Resources is based on information compiled by Mr Kevin Malaxos who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Malaxos is a fulltime employee of Maximus Resources Ltd. 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.

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 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	76	248
1.2 Payments for		
(a) exploration & evaluation	(49)	(174)
(b) development	-	-
(c) production	(112)	(335)
(d) administration	(57)	(196)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(141)	(457)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
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	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(141)	(458)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(141)	(458)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	432
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	30	(10)
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Transaction costs relating to issues	-	-
	Net financing cash flows	30	422
	Net increase (decrease) in cash held	(111)	(36)
1.20	Cash at beginning of quarter/year to date	149	74
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	38	38

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	5
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director Fees

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

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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

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Financing facilities available

+ See chapter 19 for defined terms.

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	220
4.2 Development	
4.3 Production	20
4.4 Administration	60
Total	300

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	3	114
5.2 Deposits at call	35	35
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	38	149

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				

+ 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	386,791,923	386,791,923	
7.4	Changes during quarter (a) Increases through issues: 19 December 2011 (b) Decreases through returns of capital, buy-backs	1,500,000	1,500,000	-
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>	380,000		Exercise price of \$0.14 expiring on 20 March 2012
		3,000,000		Exercise price of \$0.50 expiring on 2 July 2012
		605,000		Exercise price of \$0.18 expiring on 17 March 2013
		1,645,000		Exercise price of \$0.04 expiring on 3 February 2014
7.8	Issued during quarter			
7.9	Exercised during quarter			
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: Rajita Alwis

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

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.