

Maximus Resources Ltd ABN 74 111 977

SUMMARY

SOUTH AUSTRALIA

Written confirmation was received from the South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) that the transfer of tenements from Flinders Mines Ltd (FMS) to Maximus Resources Ltd was completed during July 2012. Final registration of the transfers by DMITRE remains pending, but all relevant mineral rights are now vested in Maximus.

Subsequent to the end of the quarter, the Federal government lifted the moratorium on the issue of new Access Deeds for Exploration on the Woomera Prohibited Area (WPA). Maximus had previously submitted revised documentation to apply for an Access Deed during the quarter, anticipating the removal of the moratorium. MXR and our JV partner ERO Mining Ltd (ERO) continue to cooperate with the Defence Department in an effort to finalise an Access Deed in 2012.

ADELAIDE HILLS PROJECT

The detailed review of the Adelaide Hills tenements database continued throughout the quarter to determine future exploration works and potential rationalisation of the tenement holding. Discussions continued with several companies interested in pursuing Joint Venture opportunities for the Bird in Hand project and the wider Adelaide Hills tenement package. These discussions remain ongoing throughout the quarter as we investigate all options to re-activate the Bird in Hand project.

Negotiations to transfer ownership of the Adelaide Hills tenements controlled by FMS into MXR's name was intended to clarify the ownership structure of the tenements, and provide MXR with total control over all activities on these tenements. MXR was able to transfer the ownership of these tenements but was not able to reach agreement on the Diamond rights associated with the tenements, which remain with FMS.

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

BILLA KALINA PROJECT

MXR received confirmation from the WPA Coordination office within the Defence Department that the Federal Government had lifted the moratorium on the issue of new Access Deeds for the WPA effective from 5 October 2012. The New Access Deed shall be issued in MXR's name, with our Joint Venturer, ERO Mining able to access the WPA for exploration purposes under this Deed of Access. Additional documentation has been requested by the Defence Department to facilitate the renewed Access Deed requirements. We are anticipating an Access Deed being issued during the December quarter, 2012. Upon receipt of the Access Deed, ERO plans to conduct a ground gravity survey over the Peeweena Dam anomaly on EL 4854.

Transfer of ownership of the Billa Kalina tenements from FMS, including the rights to diamond minerals into Maximus' name was seen as a necessary final step to simplify the ownership structure of the South Australian tenements, and secures 100% of all minerals rights at Billa Kalina for MXR. This action also allows MXR to control all activities and communications relating to these tenements.

MARREE TENEMENT - EROMANGA BASIN

Maximus intends reviewing the remaining tenement, EL3579 in conjunction with the review of the Adelaide Hills tenements to determine if the tenement warrants retaining. The original tenement formed part of the Eromanga Basin Joint Venture with ERO Mining Ltd, which ceased in May 2012.

The tenement is situated along the margins of the Eromanga Basin in South Australia. Following the announcement of potentially significant base metals exploration results by ASX listed Cauldron Energy Ltd

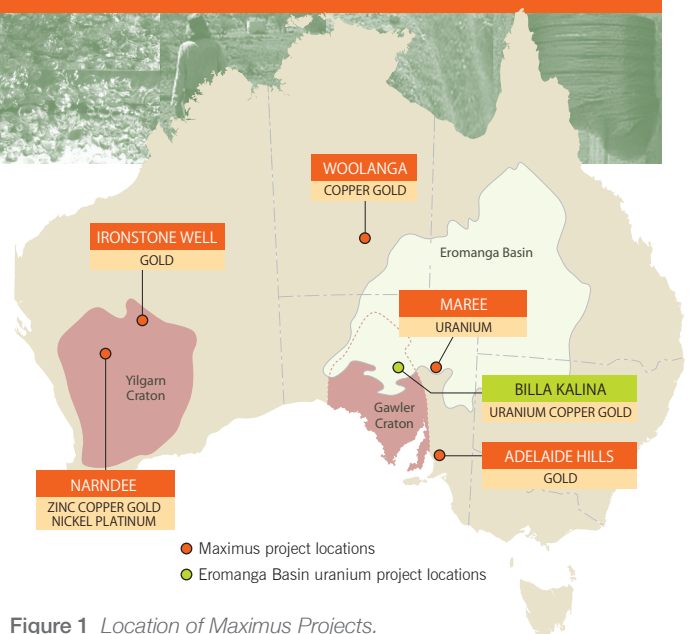


Figure 1 Location of Maximus Projects.

in the Marree region, MXR will need to determine the geological host setting of the Marree tenement to determine if similar exploration potential exists on EL3579.

QUEENSLAND

SELLHEIM ALLUVIAL GOLD PROJECT

The Sellheim Alluvial project, including all tenements, plant and equipment were sold during the quarter as planned.

All documentation was submitted to the authorities during the quarter with confirmation of transfers pending.

No remaining liability exists relating to this project.

NORTHERN TERRITORY

WOOLANGA PROJECT (Strangways Agreement)

NuPower Resources Limited has advised that no significant on-ground exploration activities were conducted on the Woolanga copper-gold project area during the quarter.

WESTERN AUSTRALIA

NARNDÉE POLY METALLIC PROJECT

The Narndee poly metallic tenements in the Murchison region of WA remain the Company's highest exploration priority in 2012.

Following the success of phase 1 of the RC drill program at Narndee, phase 2 of the program consisting of nine holes commenced on 15 September and was completed on Monday 1 October 2012. The program was completed safely and efficiently with 1,576 metres drilled and a total of 1,174 samples dispatched for analysis in Perth. Assay results are pending.

Visual logs indicate very good sulphides in multiple holes with potentially good mineralised intersections. Assay results will confirm if sulphide mineralisation is of economic significance.

CORPORATE

Discussions relating to Joint Venture opportunities for the Adelaide Hills tenements continued throughout the quarter.

Sale of the Sellheim project was completed and required documentation processed.

Finalisation of the transfer of tenement ownership from FMS to MXR on the Billa Kalina and Adelaide Hills tenements occurred during the quarter, including transfer of diamond rights on the Billa Kalina tenements.

DEVELOPMENT and EXPLORATION ACTIVITIES

SOUTH AUSTRALIA

ADELAIDE HILLS PROJECT

100% Maximus (excluding Diamond rights with FMS)

The Adelaide Hills project located immediately east of Adelaide, comprises some 2,122 square kilometres of contiguous exploration licences covering numerous gold and base metal occurrences (Figure 2). The tenement package includes the Company's wholly owned high grade gold resource at the Bird in Hand deposit near Woodside containing 598,000 tonnes at 12.3 g/t Au for 237,000 ounces (ASX release on 8 August 2008).

The review of the tenement package is ongoing, with progress slowed during the quarter due to focus on the Narndee exploration drill program and reallocation of resources to that task. Following this review, the Company will determine the ongoing prospectivity of the tenement holding, determine future exploration potential and rationalise the tenement holding where relevant.

Discussions continued with several companies during the quarter interested in pursuing potential Joint Venture opportunities on the Bird in Hand tenement, and the greater Adelaide Hills tenement package. Two parties have completed Due Diligence and continue to progress discussions regarding options. These discussions and their potential outcome may affect the desired outcome of the review of the overall tenement package, and these two tasks shall be completed in parallel.

The detailed review of the Adelaide Hills tenement holding is planned for completion in 2012.

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

BILLA KALINA COPPER, GOLD URANIUM PROJECT

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

The Billa Kalina project area comprises three exploration licences covering approximately 2,206 square kilometres of highly prospective ground located 70 km northwest of the Olympic Dam copper-gold-uranium (IOCGU) mine and 45 km east of the Prominent Hill copper-gold deposit (Figure 3). The project area is situated within the recently defined Periodic Use Zone 1 of the larger Woomera Prohibited Area (WPA).

MXR received confirmation from our liaison officer within the Defence Department that the Federal Government lifted the moratorium on the issue of new Access Deeds for the WPA, effective from 5 October 2012. This means that MXR can now liaise directly with the Defence Department to secure an Access Deed to explore within the WPA.

The New Access Deed shall be issued in MXR's name, with our Joint Venturer, ERO Mining able to access the WPA for exploration purposes under this Deed of Access. Additional documentation has been requested by, and supplied to the Defence Department to facilitate the renewed Access Deed requirements. We are anticipating an Access Deed being issued during the December quarter, 2012. Upon receipt of the Access Deed, ERO plans to conduct a ground gravity survey over the Peeweena Dam anomaly on EL 4854 (previously ELA 78/10).

Negotiations between Flinders Mines Limited (FMS), as holder of the three Billa Kalina tenement and Maximus to transfer the tenements, including diamond rights to MXR were finalised during the March quarter. Written confirmation was received from the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) of receipt of all transfer documentation during the September quarter, with final registration of the transfers pending from DMITRE.

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

MARREE TENEMENT – EROMANGA BASIN

Maximus 100%

The Marree tenement, EL 4913 is situated along the margins of the Eromanga Basin within South Australia (Figure 4).

A review of the tenement potential will be completed in conjunction with the review of the Adelaide Hills tenements.

Following the announcement of a potentially significant base metal exploration discovery by ASX listed Cauldron Energy Ltd (Cauldron) in the Marree region, MXR now intends to determine the geological host setting of the Marree tenement to determine if similar exploration potential exists on EL 4913. Cauldron is claiming to have identified a significant (8 x 10 km) silver-lead-zinc anomaly within a similar geological province and metal association to the Broken Hill deposits (see ASX announcement dated 17 October 2012).

QUEENSLAND

SELLHEIM GOLD PROJECT

Maximus 100%

The Sellheim Gold project sale, including all tenements, plant and equipment was completed during the quarter as planned. Cleared funds were received during September including the \$91,000 replacement environmental bond funds.

All documentation was submitted to the Queensland Department for Natural Resources and Mines and the Mining Registrar for action, with confirmation of transfers pending.

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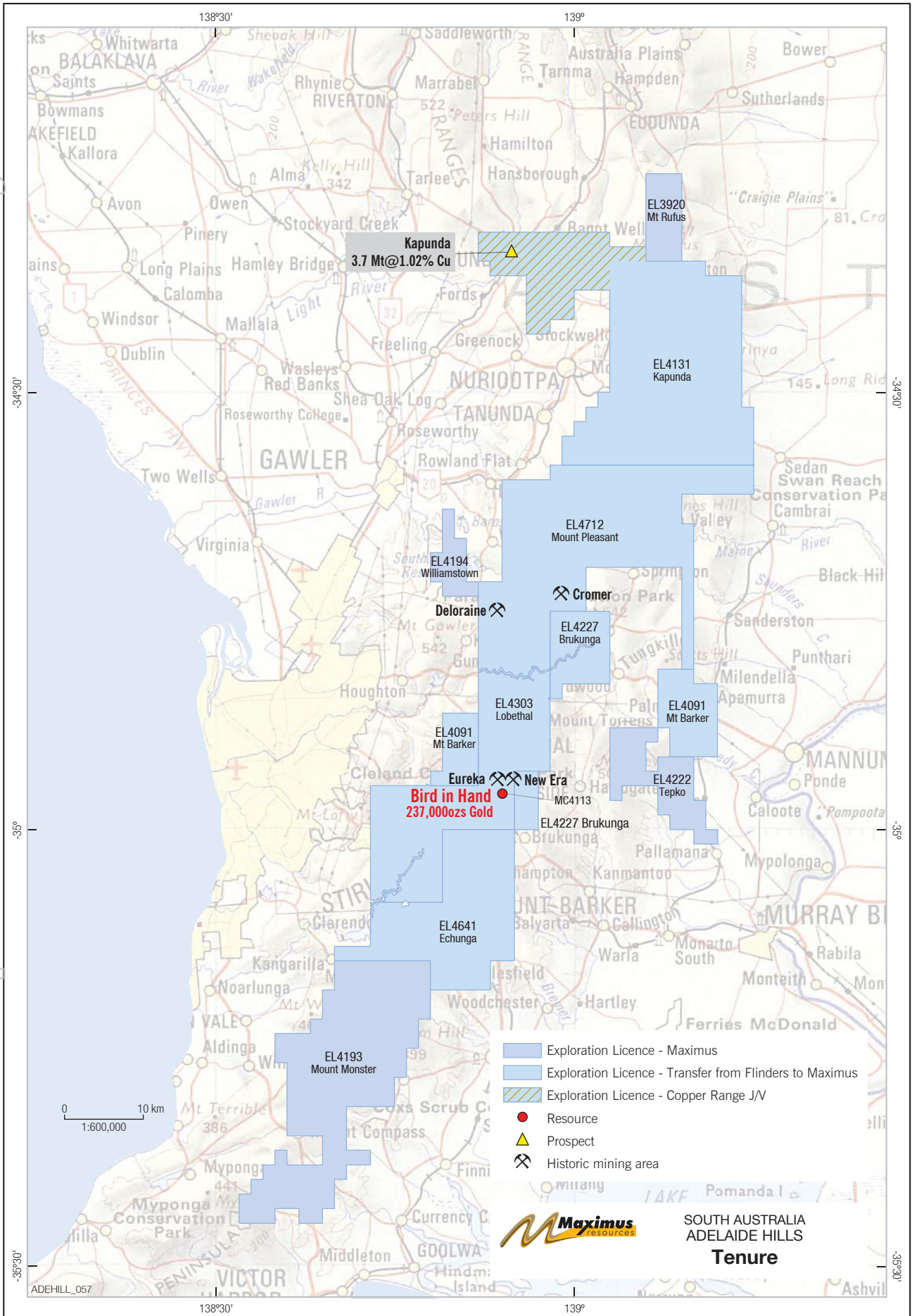


Figure 2 Adelaide Hills Gold Province and showing the Kapunda Joint Venture area.

NORTHERN TERRITORY

WOOLANGA COPPER GOLD PROJECT

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

The Woolanga project area comprises two exploration licences covering 1,465 square kilometres that are located 100 km northeast of Alice Springs. Part of the tenure is the subject of an 'Energy Metals' specific exploration agreement with NuPower Resources Limited (NuPower).

During the quarter, no significant works were undertaken on the tenements.

WESTERN AUSTRALIA

NARNDÉE POLY METALLIC PROJECT

Maximus 90% to 100%

The project area is located in the Mt Magnet region of Western Australia and comprises a total of seven tenements covering a total area of approximately 389 square kilometres over the poly-metallic Narndée, Milgoo and Windimurra layered mafic complexes (Figure 5), with a further three tenements under application.

A 17 hole reverse circulation (RC) drill program was developed to test the two highest priority targets (ND17 and ND18) from the tenement review within E59/908. This program was focussed on zones showing coincident Electromagnetic (EM) and gravity anomalies targeting massive sulphide style mineralisation.

The initial program was completed in the June quarter with sulphides observed in all holes, often seen as thin coating on fracture faces or fine disseminated specks. There were also intervals with discrete coarse pyrite cubes evident. Multiple intersections of zinc were recorded in several holes, with elevated copper assays also reported.

Phase 2 of the RC drill program commenced on 15 September and completed on 1 October 2012. The program consisted of nine RC holes targeting mineralisation along strike and down-dip from reported intersections in phase 1 drilling.

A total of 1,576 metres were drilled in the nine holes ranging in depth from 108 metres to 300 metres. Several holes were drilled at a dip of 60 degrees to the horizontal, with the majority drilled vertically. 1,174 samples were delivered to the assay laboratory for analysis with results pending.

Once again sulphides were recorded in all holes with significant intersections logged in holes NX12-13, NX12-15 and NX12-18.

Drillhole	Depth	Dip
NX12-10	300	-60
NX12-11	238	-60
NX12-12	204	-60
NX12-13	162	-60
NX12-14	108	-90
NX12-15	144	-90
NX12-16	150	-90
NX12-17	150	-90
NX12-18	120	-90

Table 1: Summary of preliminary stage 2 RC drill program data

Additional on-ground exploration activities including further ground EM survey work, soil sampling programs and drilling activity shall be planned and completed as funding permits during 2012/13.

These initial visual interpretations achieved from phase 2 drilling continue to corroborate the Company's view that the Narndée Project is an exciting and highly prospective region and shall remain Maximus' focal point during 2012/13.

YANDAL PROJECT

20%/ 100% Iron ore rights

The Yandal project area comprises two tenement packages situated near Wiluna and located within the highly prospective Yandal Greenstone Belt (Figure 6) in Western Australia.

The Company retains a 20% interest in the iron ore rights under the Flushing Meadows Agreement with Orex Mining Pty Ltd and a royalty interest on gold production by Orex Mining.

Maximus retains 100% of the Iron ore rights on E53/1223, following the termination of the Ironstone Well agreement with Nemex Resources Limited in 2011.

During the quarter, no significant on-ground works were undertaken on the tenements.

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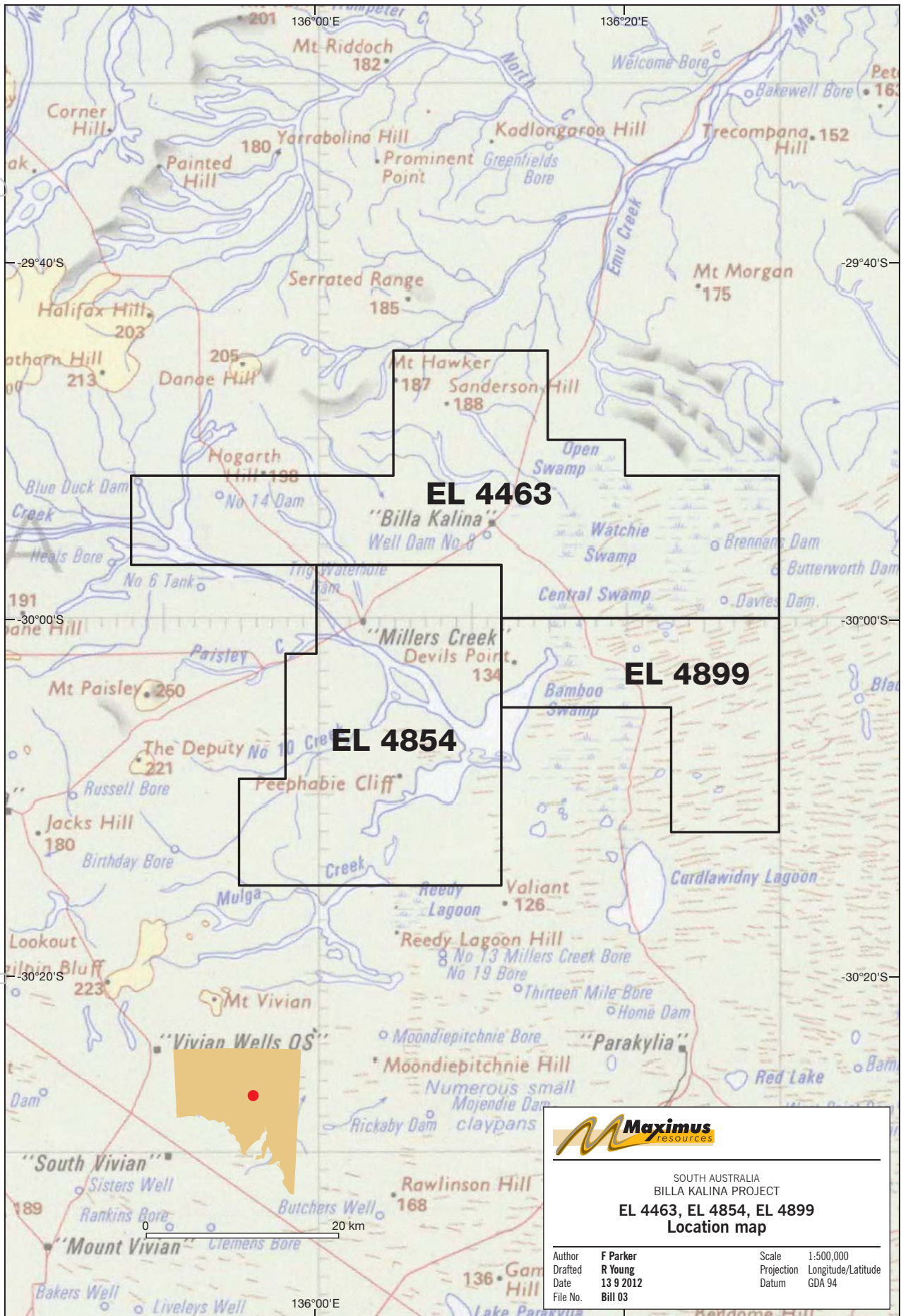


Figure 3 Location of the Billa Kalina Project tenement areas.

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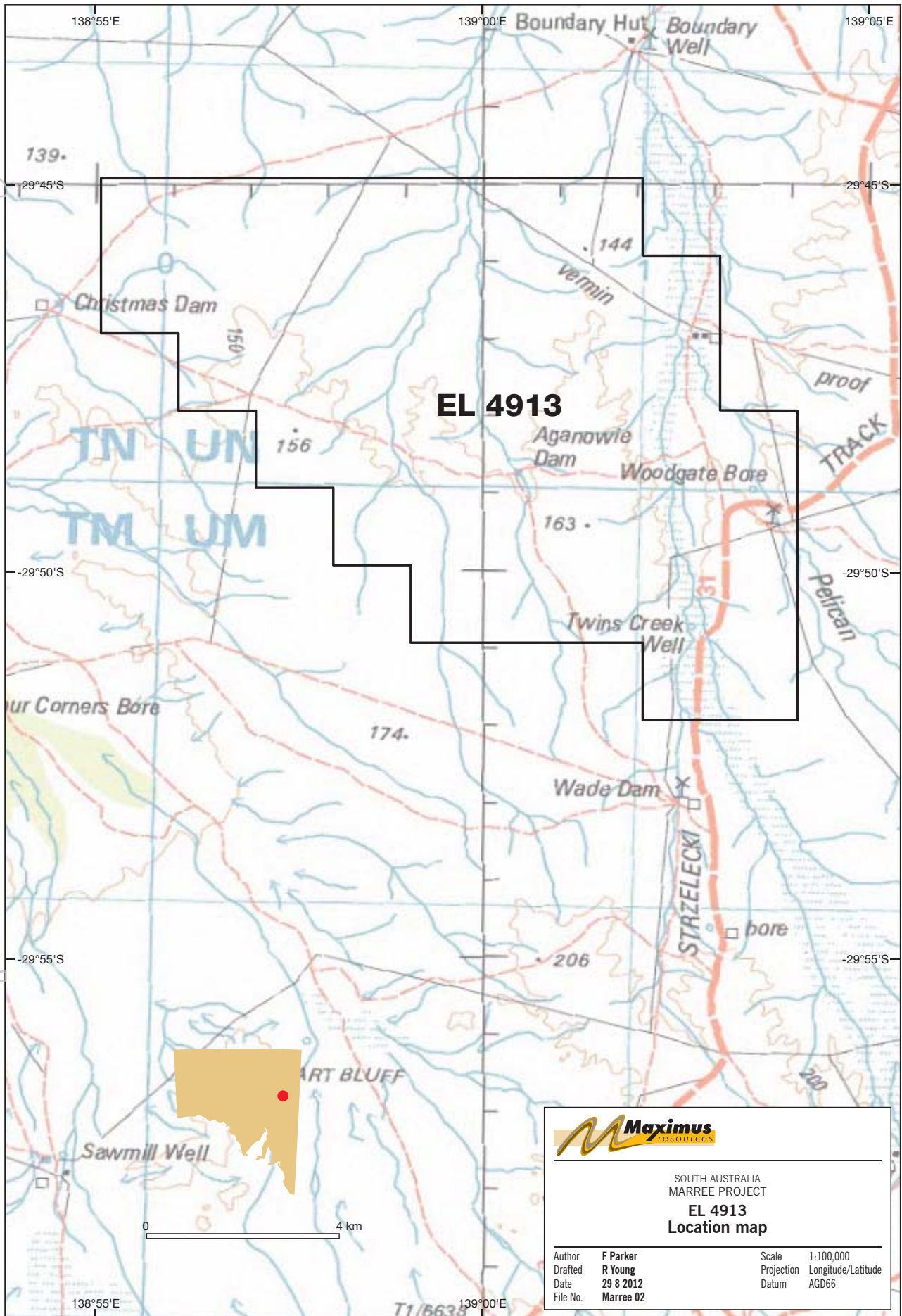


Figure 4 Location of the Marree Project tenement area.

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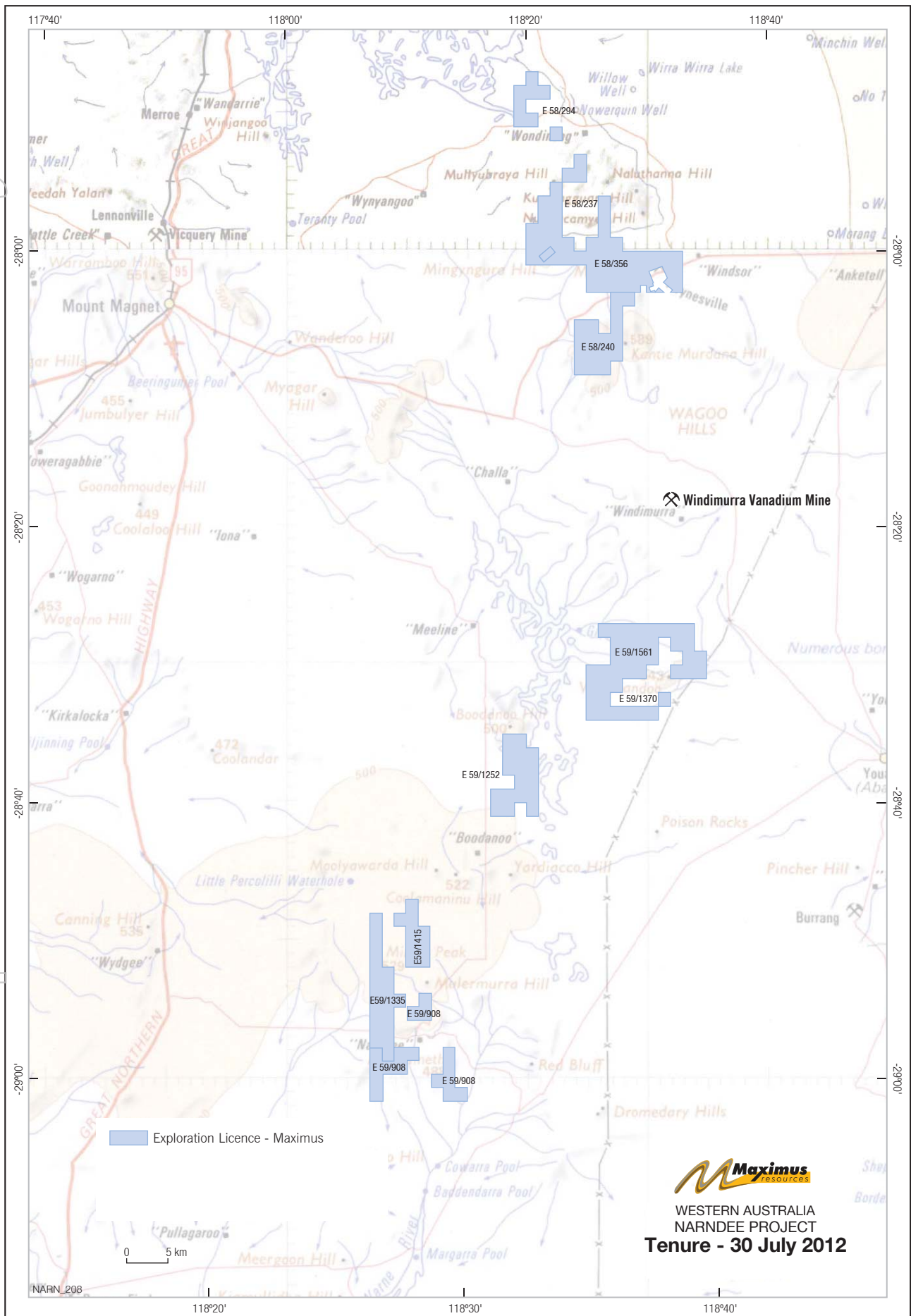


Figure 5 Location of the Narndee Project tenement areas.

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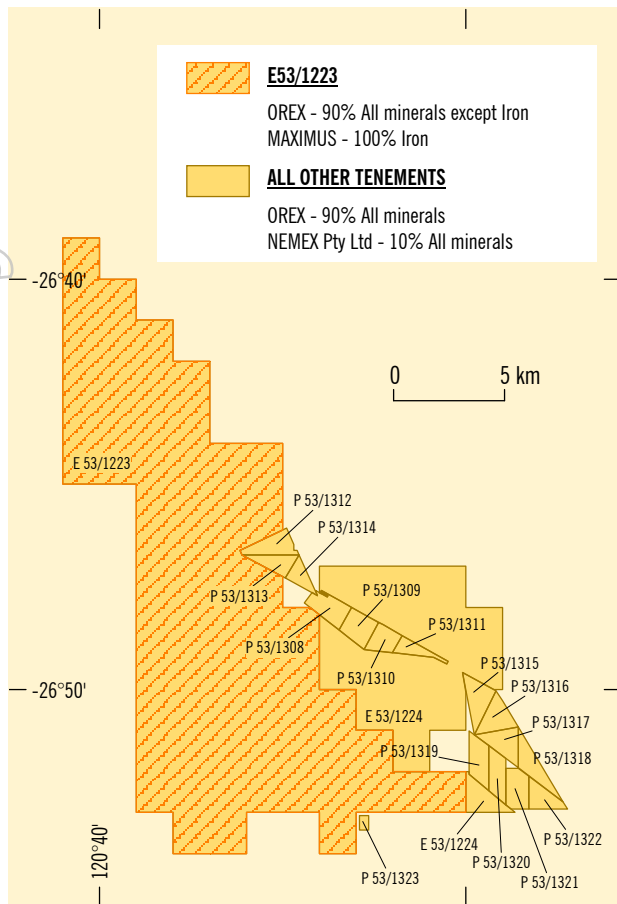


Figure 6 Location of Yandal tenements.

CORPORATE

The Sellheim Gold project, including all tenements, plant and equipment was sold during the quarter as planned. Documentation was signed on 31 August and submitted for processing once all funds had cleared. This sale allows the Company to focus on its principal Narndee poly metallic assets in Western Australia.

Following agreement to transfer ownership of the Billa Kalina and Adelaide Hills tenements held by Flinders Mines Limited (Flinders) to Maximus in February 2012, documentation was processed and approved by DMITRE in July 2012.

Flinders retains the rights to diamond minerals on those tenements previously held by Flinders in the Adelaide Hills in accordance with the existing exploration agreement. Maximus secured the transfer of diamond rights on the Billa Kalina tenements from Flinders and now has rights to all minerals on the Billa Kalina tenements.

The underlying reasons for these changes is to simplify the ownership structure of the tenements and streamline the communication process with the Defence Department for proposed exploration activities within the Woomera Prohibited Area (WPA).

The transfer of diamond rights on the Billa Kalina tenements further simplifies the previous relationships between Flinders and Maximus and clarifies the ownership of mineral rights for all Maximus shareholders.

Kevin Malaxos

Managing Director

31 October 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

Further information relating to Maximus Resources Limited and its various projects can be found on its website:

www.maximusresources.com

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Kevin Malaxos who is a Member of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activities being undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person.

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")

30 September 2012

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	-	-
1.2 Payments for		
(a) exploration & evaluation	(112)	(112)
(b) development	-	-
(c) production	(38)	(38)
(d) administration	(168)	(168)
(e) professional fees	(49)	(49)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	17
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
Net Operating Cash Flows	(352)	(352)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) sale of Sellheim	400	400
(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)		
- Environmental Bond monies (Sellheim)	91	91
Net investing cash flows	491	491
1.13 Total operating and investing cash flows (carried forward)	140	140

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	140	140
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Transaction costs relating to issues	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	140	140
1.20	Cash at beginning of quarter/year to date	751	751
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	891	891

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	111
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

--

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

--

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	-	-

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	210
4.2	Development	-
4.3	Production	-
4.4	Administration	210
Total		420

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	156	216
5.2	Deposits at call	735	535
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		891	751

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 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	771,791,725	771,791,725		
7.4 Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
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>	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	3,000,000		Exercise price of \$0.50 expiring on 2 July 2012	
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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 October 2012

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 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.