

**MAXIMUS RESOURCES LIMITED
ANNUAL GENERAL MEETING – 26 NOVEMBER 2014**

CHAIRMAN'S ADDRESS

Dear Fellow Shareholders

As you are aware, the past year has been a difficult one for the resources sector, with falling commodity prices, escalating costs and tight capital markets; almost the perfect storm for the resources sector. However, your company was able to progress a number of opportunities throughout the year, without the requirement to raise capital and still achieve encouraging exploration outcomes particularly from our ongoing exploration program at the highly prospective Narndee project in Western Australia.

I reported to shareholders last year that until markets improve and we can raise additional capital our strategy is to seek joint venture parties or sell projects with a view to retaining some upside for the company. Your Managing Director continued to pursue this core objective throughout the year, achieving two significant transactions.

The first of these involved the sale of five (5) of the nine (9) tenements held by Maximus in the Adelaide Hills package here in South Australia, including the Bird in Hand project to Terramin Exploration Limited, a wholly owned subsidiary of Terramin Australia Limited. This transaction was completed in October 2013 and secured a cash payment of \$1.5 million plus 25 million fully paid ordinary shares in Terramin Australia Ltd, plus two further contingent payments of \$1 million each and a royalty on gold production. We continue to monitor the progress of Terramin as it addresses community and environmental issues on the Bird in Hand project.

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The second transaction involves the 100% interest in the Millers Creek Project (formerly Billa Kalina project) located in the Woomera Prohibited Area (or WPA) in the highly prospective Gawler Craton region in South Australia. After the termination of the Farm-in Agreement with Tychean Resources Ltd (formerly ERO Mining Ltd) in May 2013, we pursued other parties with interest in IOCGU style mineralisation. In November last year, we announced that agreement in principle had been reached with Monax Alliance Pty Ltd (“Alliance”) (a wholly owned subsidiary of Monax Mining Ltd) and a Memorandum of Understanding (or MoU) signed that provided Alliance with a six (6) month exclusive period to conduct Due Diligence on the four (4) Millers Creek tenements held by Maximus. During the exclusivity period, Alliance retained the option to enter into a Farm-in Agreement with Maximus. The Farm-in Agreement entitled Alliance to earn up to 80% interest in the Millers Creek project by investing US\$3 million on exploration activities on the tenements within a three (3) year period.

In May this year, Alliance exercised its option to enter into a Farm-in Agreement with Maximus, and earn up to 80% interest in the Millers Creek tenements through investing US\$3 million in exploration over the next three (3) years. Preparation of the Farm-in Agreement is progressing and our Managing Director will confirm the details of the transaction during this year’s Annual General Meeting for Shareholders.

During the Due Diligence period, Alliance undertook a detailed review of historical information and identified several IOCGU style targets before committing to a ground gravity survey in May this year. The ground gravity survey confirmed that a

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minimum of six (6) targets remain to be tested on the four (4) tenements, with the highest priority target to be drill tested as soon as the Farm-in Agreement is signed and an open access window is available to the WPA.

The Farm-in Agreement with Alliance provides some certainty around the exploration expenditure commitments for the Millers Creek project for the next three (3) years, provided we have continued exploration success, whilst retaining significant upside to Maximus shareholders as the project develops.

We continue to explore on our Narndee tenements in Western Australia, with recent drill programs targeting predominantly base metals including copper, lead and zinc in the southern tenement E59/908 located approximately 100km south, south east of Mt Magnet and gold targets on the northern tenements east of Mt Magnet.

Results from our first two (2) drilling programs on Narndee in 2012 and 2013 identified massive sulphide mineralisation with assays of high grade zinc and copper. An extensive soil sampling program was undertaken followed-up by an Induced Polarization survey in January this year to identify targets for the proposed third drill program recently completed in August of this year.

Once again, the drilling intersected high massive sulphide results in several holes, along with further high grade zinc and copper intersections. In addition, significant widths of mineralisation were intersected including 10 metres of continuous anomalous copper in one hole, including anomalous zinc and lead assays.

Ongoing success with our exploration at Narndee reaffirms our views that we are

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on the cusp of a significant breakthrough on our tenements. With persistence and a little luck, which historically plays a part in any exploration program, we will continue to build on the significant results to-date at Narndee and eventually our persistence should pay off with a significant discovery.

Further on-ground exploration is planned in the coming months followed by a step-out RC drill program to track the extent of the sub-horizontal mineralised zones identified to-date

There remains a broad choice of gold and base metal targets across the Narndee tenement holding which we plan to explore progressively. We plan to continue to focus on this region with an Electro-magnetic (EM) survey planned later this financial year to identify additional drill targets, and then follow this up with the next phase of targeted RC drilling in early 2015.

Market conditions have remained extremely tight throughout 2013 and 2014 but through the process of rationalising the sizable tenement holding in both South Australia and Western Australia we have reduced the burden on the company to meet the significant tenement expenditure commitments. Further deterioration in market conditions will require us to continue to do so as we attempt to maintain a hold on the most prospective areas where we have invested significant exploration funds.

Your company continues to review opportunities that are presented to either secure a project or take an interest in worthwhile projects, but to-date none of those presented or reviewed warrant further action. We will continue to review

other projects, particularly in the current environment, provided that they present a low risk production option for your company.

We continue to operate on minimal budget overheads in order to conserve our capital for exploration whilst meeting an acceptable standard for a listed company. Our Managing Director has worked diligently to progress our exploration within the capital constraints. I commend his report to you which will expand on our projects.

It remains for me to thank shareholders, my fellow Directors, staff and contractors for their assistance and support in what has been another difficult year. I look forward to further exploration success, both directly and also in collaboration with Joint Venture partners and your continued support for Maximus for the coming year.

Bob Kennedy

CHAIRMAN

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