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Maximus Resources Limited
ABN 74 111 977 354

Financial report
for the Half-Year ended 31 December 2019

Maximus Resources Limited ABN 74 111 977 354
Financial report - 31 December 2019

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These financial statements cover the consolidated financial statements for the consolidated entity consisting of Maximus Resources Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Maximus Resources Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

Maximus Resources Limited
246 Angas Street
Adelaide
SA 5000

The financial statements were authorised for issue by the directors on 13 March 2020. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.maximusresources.com.

Directors' report

Your Directors present their report on the consolidated entity consisting of Maximus Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were Directors of Maximus Resources Limited during the whole of the half-year and up to the date of this report:

Gerard Anderson (Acting Non-Executive Chairman)

Kevin John Malaxos (Managing Director to 30 November 2019) (Non-Executive Director from 1 December 2019)

Martin Simon Janes (Non-Executive Director) – appointed 1 August 2019

Leigh Carol McClusky (Non-Executive Director) – resigned 1 August 2019

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

Review of Operations and Financial Results

The net result of operations of the Group for the half year was a profit of \$1,754,064 (2018: \$1,311,236 loss). The loss from continuing operations was \$316,659 (2018: \$492,306) and the profit from discontinued operations was \$2,070,722 (2018: \$818,930 loss). This Group profit has been generated from the sale of the Burbanks Processing facility for \$5,200,000.

The net assets of the Company have increased by \$1,754,063 during the half year from \$967,755 at 30 June 2019 to \$2,721,818 at 31 December 2019. This increase is due to the financial liabilities being paid following the sale of the Burbanks Mill.

WESTERN AUSTRALIA

BURBANKS MILL

The sale of the Burbanks Gold Treatment Plant (Burbanks) in WA's Coolgardie region to Perth based private company Mineral Ventures Pty Ltd was finalised on 30 September 2019.

In conjunction with the Asset Sale Agreement, Maximus secured a minimum of 2 years Toll milling capacity at Burbanks of up to 5,000 tonnes per month from initial activation within 12 months from Completion of the Sale Agreement. Securing this future milling capacity, combined with the improved financial capacity ensures that Maximus can continue development of the Company's Spargoville projects and accelerate the approvals process and continue to pursue near-term production projects for acquisition.

SPARGOVILLE PROJECT – GOLD RESOURCE DEVELOPMENT

Maximus 90-100% (Larkinville 75%)

The Company continued to focus on converting the five Mineral Resource estimates (Eagles Nest, Larkinville, 5B, Hilditch and Redback) to Reserve category. Following economic analysis of each project, permitting requirements and project development scheduling can be evaluated, which will determine potential mine development sequencing.

A Mining Lease Application has been submitted for M15/1896, Eagles Nest South to allow mining to commence on the Company's Eagles Nest Deposit, subject to the necessary regulatory approvals. The

Eagles Nest Deposit contains in excess of 40,000 Ozs of gold in a JORC 2012 Mineral Resource Estimate.

Discussions have commenced with the Native Title Claimant group as part of the Mining Lease approval process.

The total 2012 JORC Resource Estimate for the Spargoville Project is currently 1,448,100 tonnes @ 2.41g/t for 112,280 Ozs Au. (See Table 1).

Project	Tonnes	Aug/t	Ozs
Eagles Nest			
Main Lode	662,400	1.95	41,550
FW Zone	17,500	1.89	1,050
Larkinville	119,700	3.02	11,600
5B	75,300	3.07	7,700
Redback	441,200	3.02	42,900
Hilditch	132,000	1.77	7,480
Total	1,448,100	2.41	112,280

Table 2: Spargoville Project Mineral Resource inventory.

SPARGOVILLE PROJECT – GOLD EXPLORATION

Maximus 90%-100% (Larkinville 75%)

Following the success of the review of the Sub Audio Magnetic (SAM) Survey conducted immediately to the north of the Wattle Dam Pit, the Company commissioned a further survey on the area immediately south of the historic Wattle Dam open pit. The SAM survey was completed late in September 2019, and the data was interpreted during the December quarter. The resultant data is being analysed by the Company's exploration team to generate drill targets.

CORPORATE

Ms Leigh McClusky resigned as a Non-executive Director of MXR on 1 August 2019 after 11 years on the board.

Mr Martin Janes was appointed as a Non-executive Director of the Company on 1 August 2019.

The Company continued to evaluate projects to for potential acquisition or Joint Venture during the term, with two projects advancing to detailed review. However, no agreements had been signed at the date of this report.

Significant changes in the state of affairs

During the half year the Group disposed of the Burbanks Processing Facility to allow the Group to focus on exploration activities.

Other than above, there have been no significant changes in the state of affairs from the 2019 financial year to the 2020 half year.

Events arising since the end of the reporting period

On 26 February 2020 the Company completed a placement to sophisticated investors through the issue of 8,703,801 ordinary share at an issue price of \$0.039 per share, raising \$339,448 before costs.

There are no events or circumstances that have occurred subsequent to the end of the reporting period that have or will significantly affect the operations of the Group.

Auditors Independence Declaration

The lead Auditor's independence declaration for the half year ended 31 December 2019 has been received and can be found on page 4.

Dated at Adelaide this 13th day of March 2020 and signed in accordance with a resolution of the Directors.



Kevin J Malaxos
Director

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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 review of Maximus Resources Limited for the half year ended 31 December 2019, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 13 March 2020

Maximus Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

		Consolidated	
		31 December 2019	31 December 2018
		\$	\$
Revenue			
	Gold Sales - Spargoville	-	2,100
	Other income	827	65
Expenses			
	Marketing expenses	(2,684)	(1,944)
	Administration expenses	(262,208)	(327,407)
	Finance Costs	(11,965)	(3,764)
	Impairment of exploration assets	(40,628)	(161,356)
	Profit/(Loss) before income tax	(316,658)	(492,306)
	Income tax expense	-	-
	Profit/(Loss) for the period from continuing operations	(316,658)	(492,306)
	Profit/(Loss) for the period from discontinued operations	2,070,722	(818,930)
	Profit for the period	1,754,064	(1,311,236)

		Cents	Cents
Earnings per share			
	Basic earnings/(loss) per share		
	- From continuing operations	(0.91)	(1.63)
	- From discontinued operation	5.95	(2.70)
	Total	5.04	(4.33)
	Diluted earnings/(loss) per shares		
	- From continuing operations	(0.91)	(1.63)
	- From discontinued operations	5.95	(2.70)
	Total	5.04	(4.33)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Maximus Resources Limited
Consolidated statement of financial position
As at 31 December 2019

		Consolidated	
		31 December 2019	30 June 2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		34,000	160,682
Trade and other receivables		322,937	366,597
Assets included in disposal group classified as held for sale	4	-	3,518,250
Other current assets	2	27,115	35,023
Total current assets		384,052	4,080,552
Non-current assets			
Property, plant and equipment	4	-	439
Exploration and evaluation assets	5	2,966,063	2,775,089
Total non-current assets		2,966,063	2,775,528
Total Assets		3,350,115	6,856,080
LIABILITIES			
Current Liabilities			
Trade and other payables	6	564,583	1,981,722
Financial Liabilities	7	57,910	2,850,101
Liabilities included in disposal group classified s held for sale	4	-	928,981
Provisions	8	4,758	126,476
Total current liabilities		627,251	5,887,280
Non-current liabilities			
Provisions	9	1,045	1,045
Total non-current liabilities		1,045	1,045
Total Liabilities		628,296	5,888,325
Net Assets		2,721,819	967,755
EQUITY			
Contributed equity	10	40,895,357	40,895,357
Retained losses		(38,173,538)	(39,927,602)
Total Equity		2,721,819	967,755

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Maximus Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Contributed Equity	Retained Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2019	40,895,357	(39,927,602)	967,755
Profit for the period	-	1,754,064	1,754,064
Other Comprehensive Income	-	-	-
Transactions with owners in their capacity as owners			
Shares issued during the period	-	-	-
	<u>-</u>	<u>1,754,064</u>	<u>1,754,064</u>
Balance at 31 December 2019	<u>40,895,357</u>	<u>(38,173,538)</u>	<u>2,721,819</u>

Consolidated	Contributed Equity	Retained Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2018	40,325,309	(37,820,319)	2,504,990
(Loss) for the period	-	(1,311,236)	(1,311,236)
Other Comprehensive Income	-	-	-
Transactions with owners in their capacity as owners			
Shares issued during the period	282,798	-	282,798
	<u>282,798</u>	<u>-</u>	<u>282,798</u>
Balance at 31 December 2018	<u>40,608,107</u>	<u>(39,131,555)</u>	<u>1,476,552</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Maximus Resources Limited
Consolidated statement of cash flow
For the half-year ended 31 December 2019

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	67,233
Interest received	827	639
Payments to suppliers and employees	(254,966)	(244,209)
Interest expense	(11,965)	(2,302)
Net cash from continuing operations	<u>(266,104)</u>	<u>(178,639)</u>
Net cash from (used in) discontinued operations	4 <u>(1,695,202)</u>	<u>(323,939)</u>
Net cash (outflows)/inflows from operating activities	<u>(1,961,306)</u>	<u>(502,578)</u>
Cash flows from investing activities		
Proceeds from sale of Burbanks mill	5,200,000	-
Payments for property, plant and equipment	-	(123,445)
Payments for exploration and evaluation	(327,589)	(25,767)
Proceeds from sale of property, plant and equipment	-	1,650
Net cash inflows/(outflows) from investing activities	<u>4,872,411</u>	<u>352,433</u>
Cash flows from financing activities		
Proceeds from issue of shares and other equity securities	-	304,095
Payment of financial liabilities	(44,791)	-
Payment of fund to parties not finalising acquisition of Burbanks Mill	(2,992,996)	500,000
Transactions costs associated with equity issues	-	(21,297)
Net cash inflows/(outflows) from financing activities	<u>(3,037,787)</u>	<u>282,798</u>
Net increase in cash and cash equivalents	<u>(126,682)</u>	<u>132,658</u>
Cash and cash equivalents at the beginning of the half year	<u>160,682</u>	<u>28,823</u>
Cash and cash equivalents at the end of the half year	<u>34,000</u>	<u>161,481</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

Basis of preparation of half-year financial report

Reporting entity

Maximus Resources Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the half year ended 31 December 2019 comprises the Company and its subsidiaries (together referred to as the "consolidated entity").

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2019 is available upon request from the Company's registered office at 246 Angas Street Adelaide SA 5000 or at www.maximusresources.com.

Statement of compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Maximus Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies applied by the entities in the consolidated group in this half-year financial report are consistent with those applied by the consolidated financial report for the year ended 30 June 2019.

The interim financial statements have been approved and authorised for issue by the Board on 13 March 2020.

Reporting Basis and Conventions

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2019, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Company's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

New standards adopted as at 1 July 2019

AASB 16 Leases

AASB 16 superseded AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease and became effective for reporting periods beginning on or after 1 January 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Accordingly, the Group applied AASB 16 for the first time for the period ended 31 December 2019.

AASB 16 Leases became effective for the period beginning on or after 1 January 2019. Accordingly, the Group applied AASB 16 for the first time for the interim period 31 December 2019. Changes to the Group's accounting policies arising from these standards are summarised below.

Summary of significant accounting policies (continued)

Total operating lease commitments to 31 December 2019 was \$nil as the Group currently leases its office space on a month by month contractual basis. As a result, the leases held by the satisfied the relevant criteria of a short-term lease under AASB 16, therefore this standard has no impact on the Group.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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 of economic data, obtained both externally and within the Company.

Key estimates – impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Key judgements - exploration and evaluation expenditure

The entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Quarterly cash flows

Payments for exploration and evaluation assets reported in the consolidated statement of cash flows is reported as an investing activity in accordance with AASB 107 Statement of Cash Flows. This varies from the reporting in the Appendix 5B Quarterly Cash Flow Reports where these payments were included in operating activities. Going forward, capitalised expenditure on exploration and development assets will be classified as investing activities in the Appendix 5B.

Going concern

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Company and consolidated entity evidence that there is a material uncertainty that the Company is a going concern and Maximus are reliant on sale of a project and/or a capital raising. .

The Company incurred a profit of \$1,754,064 (2018: \$1,311,236 loss) with operating cash outflows of \$1,961,306. The operations were funded from the sale of the Burbanks Mill.

The Company and consolidated entity's ability to operate as a going concern is contingent on sale of a project and/or completing a capital raise. If the sale of a project or additional capital is not obtained, the going concern basis of accounting may not be appropriate and as a result the Company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business in amounts which could be different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

2 Current Assets – Other current assets

	Consolidated	
	31 December 2019	30 June 2019
Prepayments	27,115	35,023
	27,115	35,023

3 Non-current assets – Exploration and evaluation assets

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
<i>Exploration and evaluation</i>		
Movement:		
Opening balance	2,775,089	2,622,942
Expenditure incurred	231,602	313,573
Impairment of capitalised expenditure	(40,628)	(161,426)
Closing balance	2,966,063	2,775,089
Closing balance comprises:		
Exploration and evaluation - 100% owned	2,966,063	2,775,089
Exploration and evaluation phases - joint ventures	-	-
	2,966,063	2,775,089

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4. Disposal group classified as held for sale and discontinued operations

During the 2019 year, management decided to discontinue operations at the Burbanks mill, in line with its strategy to focus on the Company's exploration assets. Consequently, assets and liabilities allocated to Burbanks were reclassified as a disposal group. Revenue and expenses in relation to the discontinuation of this subgroup have been eliminated from profit and loss from the Group's continuing operations and are shown as a single line item in the statement of profit or loss.

In September 2019, the Burbanks mill was sold for \$5.2 million cash to Mineral Ventures Pty Ltd.

Operating losses of the Burbanks mill until the date of disposal and the profit or loss from re-measurement and disposal of assets and liabilities classified as held for sale are summarised as follows:

	31 December 2019	31 December 2018
	\$	\$
Revenue - milling	-	544,500
Other income	94,167	73,952
Total income	94,167	618,452
Cost of sales		
Milling expenses - consumables	80,231	144,531
Crushing expenses	5,052	359,551
Leaching expenses	-	135,446
Laboratory expenses	2,315	33,594
Gold room expenses	6,448	15,920
Tailings Dam expenses	58	23,810
Employee expenses	251,651	413,398
Insurance expenses	8,045	14,823
Depreciation	489	126,593
Licence fees	166	-
Legal fees	116,029	47,830
Travel expenses	-	8,022
Other mill expenses	86,440	77,371
Total cost of sales	556,924	1,400,889
Operating loss	(462,757)	(781,987)
Profit from sale of plant & equipment	2,537,949	--
Finance costs	(4,470)	(36,493)
Loss from discontinued operations before tax	(2,070,722)	(818,480)
Tax expense	-	-
Profit/(Loss) for the period from discontinued operations	2,070,722	(818,480)

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	31 December 2019	30 June 2019
	\$	\$
Current assets		
Property, plant and equipment	-	3,498,875
Inventories - consumables	-	19,375
Assets classified as held for sale	-	3,518,250
Current liabilities		
Provisions – employee entitlements (Mill staff)	-	52,778
Provisions – restoration/rehabilitation	-	876,203
Liabilities classified as held for sale	-	928,981

4. Disposal group classified as held for sale and discontinued operations (cont)

Cashflows used by Burbanks mill for the reporting periods under review until its disposal are as follows:

	30 June 2019	30 June 2018
	\$	\$
Operating activities	(1,695,202)	(323,939)
Investing activities	5,200,000	-
Cashflows from/(used in) discontinued operations	3,504,798	(323,939)

5. Segment information

(a) Description of segments

Identification of reportable segments

Management has determined the operating segments based on the reports reviewed and used by the Board of Directors (the chief operating decision makers) that are used to make strategic decisions. Maximus Resources Limited is managed primarily on the basis of geographical area of interest, since the diversification of Maximus Resources Limited operations' inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with the respect to the following:

- External regulatory requirements
- geographical and geological styles

Accounting policies developed

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Maximus Resources Limited.

Period ending 31 December 2019	Exploration \$	Burbanks Mill \$	Other \$	Total \$
Segment revenue	-	91,769	-	91,769
Adjusted EBITDA	(40,628)	2,070,722	-	2,030,094
Segment assets for the period ending 31 December 2019	2,966,063	340,398	-	3,306,461
Segment asset movements for the period				
Capital expenditure	231,602	(3,518,250)	-	(3,286,648)
Impairment	(40,628)	-	-	(40,628)
Total movement for the year	190,974	(3,518,250)	-	(3,327,276)
Total segment assets				
Unallocated assets				43,653
Total assets				3,350,114

5. Segment information (continued)

Period ending 31 December 2018	Exploration \$	Burbanks Mill \$	Other \$	Total \$
Segment revenue	2,100	609,633	-	611,733
Adjusted EBITDA	2,100	(994,164)	1,296	(990,768)
Segment assets for the period ending 31 December 2018	2,558,008	4,345,992	-	6,904,000
Segment asset movements for the period				
Capital expenditure	97,718	(165,351)	(1,296)	(68,929)
Impairment	(162,652)	-	1,296	(161,356)
Total movement for the year	(64,934)	(165,351)	-	(230,285)
Total segment assets				6,904,000
Unallocated assets				97,590
Total assets				7,001,590

A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	31 December 2019 \$	31 December 2018 \$
Allocated:		
Adjusted EBITDA	2,030,094	(990,768)
Unallocated:		
Other income	827	8,884
Administration expense	(262,208)	(327,408)
Marketing expense	(2,684)	(1,944)
Finance costs	(11,965)	-
Profit before income tax from continuing operations	1,754,064	(1,311,236)

6 Current liabilities – Trade & other payables

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Trade creditors	539,580	1,674,984
Other payables and accruals	25,003	306,738
	564,583	1,981,722

Trade creditors includes an amount of \$201,810 payable to Mr K Malaxos. This amount payable relates to back payment of salaries as well as annual leave and long service leave.

7 Current liabilities – Financial liabilities

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Loans from related parties (a)	57,910	100,101
Financial Liability – Burbanks sale proceeds (b)	-	2,750,000
	57,910	2,850,101

(a) During the year ended 30 June 2018, Mandurang Pty Ltd, of which the late Mr Robert Kennedy was a Director of, loaned the Company \$50,000. The loan is interest bearing at 6% pa and is required to be repaid upon completion of a successful capital raise. Interest has been capitalised into the total loan payable.

(b) During the year ended 30 June 2019, the Company entered into negotiations with various parties to sell the Burbanks Mill. During December 2018 the Company signed a Binding Term Sheet with GBF Mining Pty Ltd (GBF) for a 12 month lease of the Burbanks Mill, commencing in March 2019 or earlier, plus an option to acquire 50% of the equity in the Company's wholly owned subsidiary, EGMS. GBF paid lease option fees totalling \$750,000 to the Company. During April 2019 the Company terminated the agreement with GBF. This amount was fully repaid to GBF following sale of the Burbanks Mill to Mineral Ventures Pty Ltd in September 2019.

On 4 April 2019 the Company entered into agreement with Adaman Resources Ltd (Adaman) to sell 100% of the Burbanks Mill for \$5.8 million, with adjustments for major component defects identified during due diligence. The agreement with Adaman included an immediate payment of \$2,000,000. This amount was fully repaid to Adaman during September 2019 following sale of the Burbanks Mill to Mineral Ventures Pty Ltd.

8 Current liabilities – Provisions

	Consolidated	
	31 December 2019	30 June 2019
	\$	
Provision – Employee benefits	4,758	126,476
	4,758	126,476

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9 Non-current liabilities – Provisions

	Consolidated	
	31 December	30 June 2019
	2019	2018
	\$	\$
Long service leave	1,045	1,045
	1,045	1,045

10 Contributed equity

	Consolidated		Consolidated	
	31 December	30 June 2019	31 December	30 June 2019
	2019	2018	2019	2018
	Shares	Shares	\$	\$
(a) Share capital				
Ordinary shares Fully paid	34,815,204	34,815,204	40,895,357	40,895,357

The Company received approval of the consolidation of capital by shareholders at the 2018 Annual General Meeting. The approved consolidation metric is 1 new share for every 115 MXR shares. The consolidation was finalised on 20 December 2018.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2018	Opening balance	3,177,301,940		40,325,309
6 September 2018	Issue of Shares – placement	304,095,000	\$0.001	304,095
20 December 2018	Consolidation (1:115)	(3,451,122,692)	-	-
3 May 2019	Issue of Shares – placement	4,540,956	\$0.068	308,785
				612,880
	Less: Transaction costs arising on share issues			(42,832)
30 June 2019	Balance	34,815,204		40,895,357
31 December 2019	Balance	34,815,204		40,895,357

11 Commitments

Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company will be required to outlay in the half year ending 31 December 2019 amounts of approximately \$1,133,300 (2018: \$1,299,020) in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

Operating Leases

The Group has no operating leases at 31 December 2019.

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12 Contingencies

Contingent Liabilities

During the half year the Group paid an outstanding balance of \$306,767 as final payment for a gold in circuit reconciliation from a December 2017 Toll milling campaign. The Group is currently undertaking an arbitration process to determine if any additional amount is payable for a recovered gold reconciliation relation to this toll milling campaign.

There have been no changes in contingent liabilities since the last reporting date.

Contingent Assets

The Group has submitted an insurance claim in relation to plant failure at the Burbanks processing facility. The financial accounts make no allowance for an amount that may be recovered from the insurers.

The Adelaide Hills tenement package was reduced to 4 tenements following the sale of 5 tenements, including the Bird in Hand project to Terramin Australia Limited ("Terramin"). The consideration included the following contingent payment from Terramin:

- \$1,000,000 payable upon approval of a Program for Environmental Protection and Rehabilitation; and
- \$1,000,000 payable upon commencement of bullion production.

Maximus is also entitled to a 0.5% royalty payable upon bullion production in excess of 50,000 ozs.

The Flushing Meadows tenement package was sold to Orex Mining Pty Ltd (now Yandal Resources Ltd) in October 2010. Maximus is entitled to a gold royalty in respect of gold produced from any part of the tenement area of \$40 per ounce on the first 50,000 ounces of gold generated, with the first \$200,000 to be pre-paid upon commencement of gold production and \$20 per ounce of gold produced in excess of 50,000 ounces and less than 150,000 ounces to a maximum of \$4 million royalty revenue being received by Maximus.

Additionally, there is a 3% net smelter return for any gold by-products or co-products from the tenement area.

13 Events occurring after the reporting period

On 26 February 2020 the Company completed a placement to sophisticated investors through the issue of 8,703,801 ordinary share at an issue price of \$0.039 per share, raising \$339,448 before costs.

There are no events or circumstances that have occurred subsequent to the end of the reporting period that have or will significantly affect the operations of the Group.

In the Directors' opinion:

- a) The consolidated financial statements and notes set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:
 - i. Complying with the Accounting Standard AASB 134: Interim Financial Reporting, and
 - ii. Giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

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



Kevin J Malaxos

Director

Adelaide 13 March 2020

Independent Auditor's Report

To the Members of Maximus Resources Limited

Report on the review of the half year financial report

Opinion

We have reviewed the accompanying half year financial report of Maximus Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Maximus Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss from continued operations of \$316,658 during the half year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by \$243,200. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Maximus Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 13 March 2020