

For personal use only

MAXIMUS

RESOURCES

Maximus Resources Limited

ABN 74 111 977 354

Financial report

for the Half-Year ended 31 December 2021

Maximus Resources Limited ABN 74 111 977 354
Financial report - 31 December 2021

Contents

	Page
Directors' Report	1
Auditor's Independence Declaration	6
Financial Statements	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	11
Notes to the financial statements	11
Directors' Declaration	19

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
Suite 12, 198 Greenhill Road
Eastwood SA 5063

The financial statements were authorised for issue by the Directors 15 March 2022. The Directors have the power to amend and reissue the financial statements.

For personal use only

Directors' Report

Your Directors present their report on the consolidated entity consisting of Maximus Resources Limited (Maximus or the Company) and the entities it controlled (the Group) at the end of, or during, the half-year ended 31 December 2021.

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:

Name	Role	Status	Appointed/Resigned (if during the half year)
Steven Evan Zaninovich	Non-Executive Director & Chair	Independent	-
Timothy James Wither	Managing Director	Not Independent	-
Gerard Anderson	Non-executive Director	Independent	-
Martin Simon Janes	Non-executive Director	Independent	-
Paul Mathew Cmrlec	Non-executive Director	Not Independent	Appointed 18 October 2021
Scott James Huffadine	Alternate Director to Paul Cmrlec	Not Independent	Appointed 18 October 2021

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

Financial Results

The net result of operations of the Group for the half-year was a loss of \$348,752 (2020: \$649,337).

The net assets of the Group have increased by \$10,983,333 during the half year from \$7,028,097 at 30 June 2021 to \$18,011,430 at 31 December 2021. This increase is due to the Group completing a two-tranche capital raise of \$12,000,000 (before costs) during the half-year.

Operations Review

The Company's focus is at the Spargoville Projects, located 20km from Kambalda, Western Australia's premier gold and nickel mining district.

The Company holds 48 sq km of tenements and a further 60 sq km in gold rights across the fertile Spargoville Shear Zone, which hosted the Wattle Dam Gold Mine (Wattle Dam). Mined until 2012, Wattle Dam was one of Australia's highest-grade gold mines producing ~286,000oz @ 10.1g/t gold.

In addition to its gold prospects, the Company's Spargoville tenements are highly prospective for Kambalda-style komatiite-hosted nickel sulfide mineralisation.

The Company's short-term strategy is aimed at building value, by increasing gold resources and expanding the Company's future development options centered around the existing underground infrastructure at Wattle Dam.

Wattle Dam Stockwork Mineral Resource Estimate – Gold

The Wattle Dam Stockwork is situated adjacent to the mined-out Wattle Dam underground shoot and is exposed in the northwest of the open-cut pit at Wattle Dam. Mineralisation occurs as a network of quartz-carbonate veins with minor disseminated sulfide. The stockwork zone is open to the south and at depth in the southern part of the deposit.

A Mineral Resource Estimate (MRE) of the Wattle Dam Stockwork was completed during the half-year, increasing the global Spargoville mineral resource ounces by 21% to 2.1 mt @ 2.0 g/t Au for 135,800 oz through the addition of **645 kt @ 1.15 g/t Au for 23,800 oz** (ASX:MXR announcement 23 September 2021).

Redback Deposit - Gold

Two Western Australian Government Exploration Incentive Scheme (EIS) co-funded diamond drill holes (RBDD008 and RBDD009) designed to test the down-dip plunge of known mineralisation at Redback Gold Deposit (Redback) were completed in early December 2021.

Redback is located ~600 metres south-southeast of the previously mined Wattle Dam. Local geology at Redback is similar to that observed at the Wattle Dam, with a high component of visible gold hosted within altered ultramafic lithologies (komatiite).

The EIS holes intersected wide intervals of heavily altered ultramafics with multiple occurrences of visible gold observed in RBDD008, analogous to those observed at Redback and Wattle Dam.

Assays from a selected interval intersected several zones of high-grade gold up to 21.3 g/t Au intersected confirms a significant new target area (Western Contact) with intersections including:

- 11.0m @ 3.2 g/t Au from 626m incl 3.0m @ 5.7 g/t Au from 626m, 2.0m @ 4.3 g/t Au from 631m and 1.0m @ 7.1 g/t Au from 636m (RBDD008)
- 2.5m @ 6.0 g/t Au from 658.5m incl. 1.0m @ 13.0 g/t Au from 658.5m (RBDD008)

Following the completion of the EIS drill holes, three resource holes were extended and successfully intersected an altered contact zone up-dip from the intersected mineralisation in RBDD008.

The completed EIS drill holes demonstrate a strong potential for high-grade gold mineralisation at Redback from surface to +500m vertical depth.

Nickel Exploration Programme

Hilditch West - Nickel

During the half-year, Maximus progressed several high priority targets for Kambalda-style komatiite-hosted nickel sulfide mineralisation across tenement holdings. Maximus' tenements are underexplored due to previous fragmented ownership, presenting the Company with an excellent opportunity to explore for nickel sulfides in a highly fertile world-class nickel district in parallel with gold exploration.

During the September quarter, a maiden 6-hole, 624 metre RC drilling campaign successfully intersected shallow, highly anomalous nickel-copper-cobalt and scandium mineralisation across all three drill sections covering 500 metres of strike along with the extensive alteration domain at the Hilditch West target (ASX:MXR announcement 22 July 2021).

Three mineralised zones have been identified with significant Nickel-Copper-Cobalt intersections including:

- 5m @ 1.2% Ni, 0.23% Cu, 0.08% Co from 43m and, 2m @ 1.5% Ni, 0.03% Co from 87 m and, 19m @ 0.4% Ni, 0.1% Cu, 2.4g/t Ag from 107m (HWRC004).
- 12m @ 0.5% Ni, 0.06% Co from 18m, incl. 2m @ 0.8% Ni, 0.2% Cu, 0.06% Co from 21m (HWRC003)

A Petrographic study confirmed the presence of several nickel sulfide mineral types including pentlandite (nickel sulfide). Nickel mineralisation was intersected within a shear zone and is considered to be remobilised from ultramafics deeper in the stratigraphy.

A Fixed-Loop Electromagnetic (FLEM) geophysics survey was completed over Hilditch West area, with modelling indicating a late-time conductor and magnetic anomaly, north from the previous Ni-Co-Cu-Sc intercepts (ASX:MXR announcement 29 July 2021). During the December Quarter, diamond drill hole HWDD0001 was completed, designed to intersect the coincident peak magnetic response and centre of the electromagnetic (EM) conductive target plate. The Company plans to further drill test the Hilditch nickel target during the current quarter.

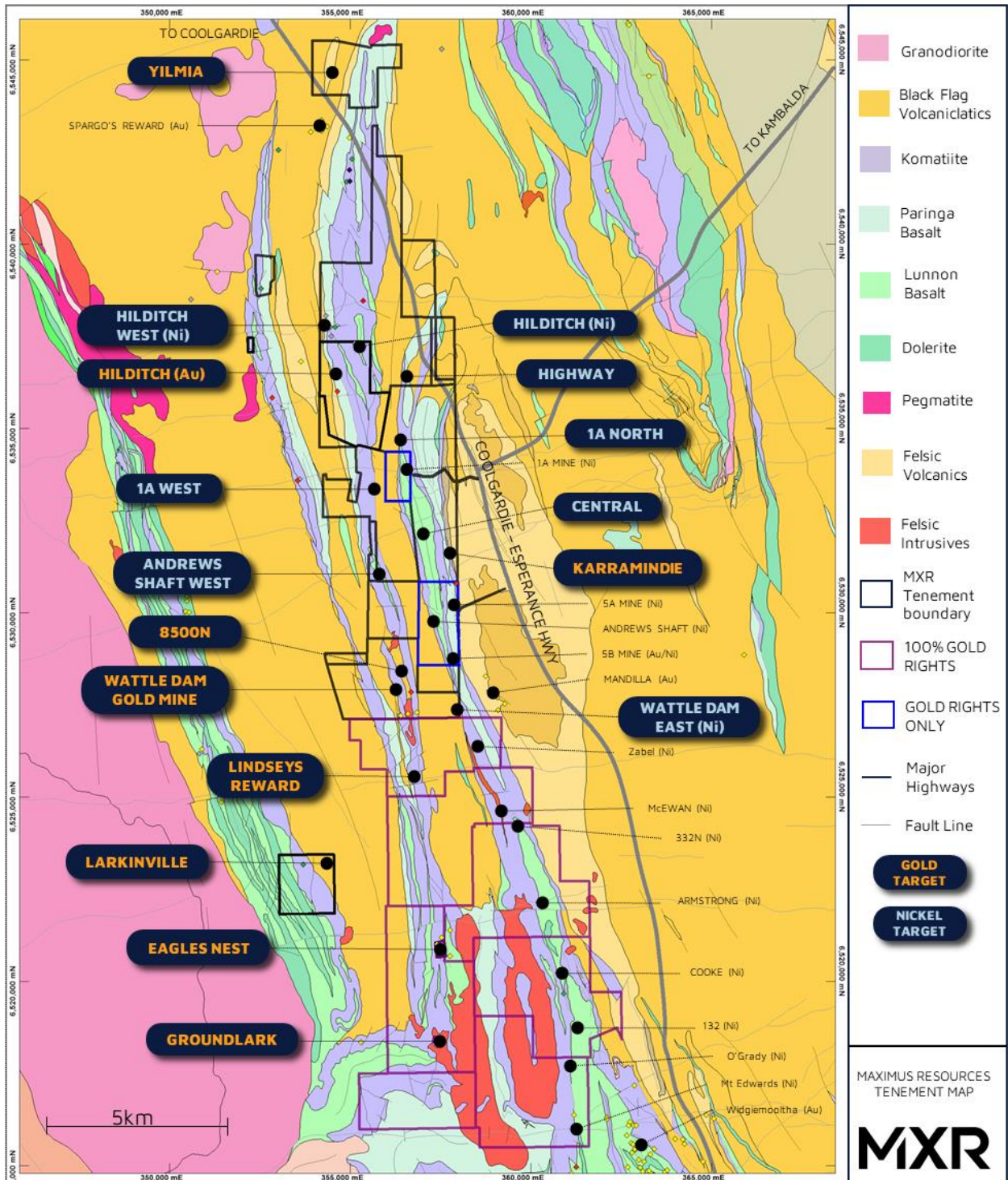


Figure 1 – Maximus Resources Spargoville tenement map

Central Nickel Prospect

A large-scale FLEM geophysics survey was completed over the under-explored but highly prospective Central targeted area. Two shallow priority late time conductors (2200N (8,750 Siemens) and Sully (16,000 Siemens)) were identified, between Estrella Resources' (ASX:ESR) Andrews Shaft and the 1A Nickel Mines.

The Central Electromagnetic survey was completed over known mineralisation at the 1A nickel Mine, assisting in the interpretation of new conductors across the Central target area. Interpretation of the Electromagnetic survey over the known mineralisation returned a modelled conductance of 8,350 Siemens.

An initial reconnaissance drill programme has been planned for both 2200N and Sully targets and is scheduled to be completed during the current quarter.

Corporate

During the half year, the Company completed a placement raising \$12 million before costs. The placement was completed via 2 tranches with the second tranche approved by shareholders at a General Meeting of the Company held on 8 October 2021. The Company completed the tranche 1 allocation on 25 August 2021 by issuing 12,182,343 ordinary shares at an issue price of \$0.068 per share raising \$828,399 before costs. The tranche 2 allocation of 164,288,246 ordinary shares at \$0.068 per share was issued on 15 October 2021 raising \$11,171,601 before costs. The placement included the introduction of Pantoro Limited (ASX:PNR) (Pantoro) as a cornerstone investor. Following the tranche 2 allocation Pantoro holds 19.9% of the share capital of the Company. On completion of the second tranche, the Company appointed Pantoro representatives Managing Director Mr Paul Cmrlec as a Non-executive director and Mr Scott Huffadine, as his alternative Non-Executive Director.

During the half year, the Company also completed the following issue of securities which were approved at the General Meeting on 8 October 2021:

- On 18 October 2021, 12,000,000 unlisted options with an exercise price of \$0.085 expiring on 31 October 2024 were issued to Petra Capital Pty Ltd for broking services.
- On 29 October 2021, 6,299,542 listed options with an exercise price of \$0.11 expiring on 6 January 2023 were issued to shareholders who participated in the placement on 21 April 2021.
- On 29 October 2021, 4,000,000 listed options with an exercise price of \$0.11 expiring on 6 January 2023 were issued to GTT Ventures Pty Ltd for broking services relating to a placement completed on 21 April 2021.
- On 13 October 2021, 625,000 ordinary shares were issued at a price of \$0.08 per share, raising \$50,000 before costs. The shares were issued to the directors who subscribed to shares in April 2021.

During the half year, Tim Wither and Travis Murphy's milestone 1 incentive and performance rights vested resulting in 500,000 fully paid ordinary shares being issued to Mr Wither on 12 August 2021 and 175,500 fully paid ordinary shares being issued to Mr Murphy on 12 October 2021.

The General Meeting on 8 October 2021 ratified a pro-rata offer of securities to MXROD optionholders at an issue price of \$0.003 per Option to subscribe to one new option with an exercise price of \$0.11 expiring on 6 January 2023. The opening date for the offer was 1 December 2021. The pro-rata offer closed on 30 December 2021 and the Company received applications for 34,346,639 options raising \$103,039 before costs. The shortfall of 4,019,794 options arising from the offer was fully subscribed raising \$12,059 before costs. The 38,366,433 options were issued on 7 January 2022.

During July 2021, Maximus completed discussions with its insurers regarding a claim relating to plant failure at the Burbanks Processing Plant (Burbanks). The Group received \$390,000 in respect of its claim net of excess and costs in early August 2021.

The Company's wholly owned subsidiary, Eastern Goldfields Milling Services Pty Ltd (EGMS) was able to finalise the ongoing dispute with Empire Resources Limited (Empire) during September 2021. This Arbitration process commenced during the 2019 year to determine a final amount payable for a recovered gold reconciliation relating to Burbanks.

The Arbitration hearing finished in March 2021, with the Arbitrator providing a partial award in May 2021. Based on the Arbitration outcome, a confidential settlement payment to EGMS was received relating to the recovery of arbitration costs and ending the dispute with Empire.

Significant changes in the state of affairs

Other than above, there have been no significant changes in the state of affairs from the 2021 financial year to the 2022 half-year.

Events arising since the end of the reporting period

The Company completed a pro-rata offer of securities to MXROD option holders at an issue price of \$0.003 per Option to subscribe to one new option with an exercise price of \$0.11 expiring on 6 January 2023. The pro-rata offer was fully subscribed and the Company received applications for 38,366,433 options raising \$115,098 before costs. The 38,366,433 options were issued on 7 January 2022.

On 6 January 2022, a MXROD optionholder exercised 1 option, resulting in 1 ordinary share being issued raising \$0.11 before costs. On 7 January 2022, MXROD optionholders exercised 37,491 options resulting in 37,491 ordinary shares being issued raising \$4,124 before costs. On 7 January 2022, 38,324,941 MXROD listed options expired in accordance with their issued terms

On 8 January 2022, 1,000,000 MXRAL unlisted options expired in accordance with their issued terms.

On 28 January 2022, a MXROE optionholder exercised 244 options, resulting in 244 ordinary shares being issued, raising \$26 before costs.

There are no other 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 2021 has been received and can be found on page 7.

Dated at Adelaide this 15th day of March 2022 and signed in accordance with a resolution of the Directors.



Tim Wither
Director

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 2021, 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, 15 March 2022

Maximus Resources Limited
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
		31 December 2021	31 December 2020
		\$	\$
Revenue and Other Income			
Other income	2	453,359	62,565
Expenses			
Compliance expenses		(183,591)	(125,265)
Consulting expenses		(51,250)	(100,500)
Depreciation expense		(2,227)	(976)
Employee expenses		(273,159)	(188,470)
Legal expenses		(108,077)	(15,971)
Marketing expenses		(52,288)	(43,215)
Finance expenses		(5)	(120)
Share based payments		(58,250)	(98,887)
Impairment of exploration assets		(44,443)	(5,175)
Other expenses		(28,821)	(26,307)
Profit/(Loss) before income tax		(348,752)	(542,321)
Income tax expense		-	-
Profit/(Loss) for the period from continuing operations		(348,752)	(542,321)
Profit/(Loss) for the period from discontinued operations	8	-	(107,016)
Profit/(Loss) for the period		-	(649,337)
Earnings per share			
Basic and diluted earnings/(loss) per share			
- From continuing operations		(0.16)	(0.54)
- From discontinued operations		-	(0.11)
Total		(0.16)	(0.65)

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

For personal use only

Maximus Resources Limited
Condensed statement of financial position
As at 31 December 2021

		Consolidated	
		31 December 2021	30 June 2021
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		10,402,178	1,327,795
Trade and other receivables	4	101,034	49,065
Other current assets	5	153,464	78,343
Total current assets		10,656,676	1,455,203
Non-current assets			
Property, plant and equipment	6	196,068	68,099
Exploration and evaluation assets	3	8,023,913	6,113,693
Total non-current assets		8,219,981	6,181,792
Total Assets		18,876,657	7,636,995
LIABILITIES			
Current Liabilities			
Trade and other payables	7	804,344	496,965
Liabilities included in disposal group classified as held for sale	8	-	69,145
Provisions	9	60,883	42,788
Total current liabilities		865,227	608,898
Total Liabilities		865,227	608,898
Net Assets		18,011,430	7,028,097
EQUITY			
Contributed equity	10	56,133,676	43,369,857
Reserves	11	2,307,608	1,739,342
Retained losses		(40,429,854)	(40,081,102)
Total Equity		18,011,430	7,028,097

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

For personal use only

Maximus Resources Limited
Condensed statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Contributed Equity	Reserves	Retained Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	45,369,857	1,739,342	(40,081,102)	7,028,097
(Loss) for the period	-	-	(348,752)	(348,752)
Other Comprehensive Income	-	-	-	-
Transactions with owners in their capacity as owners				
Option reserve	-	600,176	-	600,176
Share based payment reserve	-	58,250	-	58,250
Employee Rights vested	90,160	(90,160)	-	-
Shares issued during the period	12,050,000	-	-	12,050,000
Transaction costs	(1,376,341)	-	-	(1,376,341)
	<u>10,763,819</u>	<u>568,266</u>	<u>(348,752)</u>	<u>10,983,333</u>
Balance at 31 December 2021	<u>56,133,676</u>	<u>2,307,608</u>	<u>(40,429,854)</u>	<u>18,011,430</u>

Consolidated	Contributed Equity	Reserves	Retained Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	42,451,894	-	(38,675,208)	3,776,686
(Loss) for the period	-	-	(649,337)	(649,337)
Other Comprehensive Income	-	-	-	-
Transactions with owners in their capacity as owners				
Option reserve	-	1,415,768	-	1,415,768
Share based payment reserve	-	98,887	-	98,887
Shares issued during the period	1,687,668	-	-	1,687,668
	<u>1,687,668</u>	<u>1,514,655</u>	<u>(649,337)</u>	<u>2,552,986</u>
Balance at 31 December 2020	<u>44,139,562</u>	<u>1,514,655</u>	<u>(39,324,545)</u>	<u>6,329,672</u>

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

For personal use only

Maximus Resources Limited
Condensed statement of cash flow
For the half-year ended 31 December 2021

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers and operations	441,455	61,049
Government grants	96,000	-
Interest received	669	1,516
Payments to suppliers and employees	(519,608)	(661,567)
Interest expense	(6)	(120)
Net cash from continuing operations	<u>18,510</u>	<u>(599,122)</u>
Net cash from (used in) discontinued operations	8 -	(37,346)
Net cash inflows/(outflows) from operating activities	<u>18,510</u>	<u>(636,468)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(146,995)	(59,133)
Payments for exploration and evaluation	(2,070,986)	(899,819)
Net cash inflows/(outflows) from investing activities	<u>(2,217,981)</u>	<u>(958,952)</u>
Cash flows from financing activities		
Proceeds from issue of shares and other equity securities	12,050,000	3,323,039
Transactions costs associated with equity issues	(776,146)	(219,603)
Net cash inflows/(outflows) from financing activities	<u>11,273,854</u>	<u>3,103,436</u>
Net increase in cash and cash equivalents	<u>9,074,383</u>	<u>1,508,016</u>
Cash and cash equivalents at the beginning of the half year	<u>1,327,795</u>	<u>801,108</u>
Cash and cash equivalents at the end of the half year	<u>10,402,178</u>	<u>2,309,124</u>

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

For personal use only

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 2021 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 2021 is available upon request from the Company's registered office at Suite 12, 198 Greenhill Road Eastwood SA 5063 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 2021 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 2021.

The interim financial statements have been approved and authorised for issue by the Board on 15 March 2022.

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 2021, 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 2021 are the relevant policies for the purposes of comparatives.

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.

Operating Segments

Management has determined that the Group is organised in one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources.

As a result, the operating segment information is disclosed in the statements and notes to the financial statements throughout the report.

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.

2. Other income

	31 December 2021	31 December 2020
	\$	\$
Interest income	669	1,516
ATO – small business cashflow boost	-	37,500
ATO – Jobkeeper subsidy	-	13,500
Settlement funds	440,000	-
Fuel tax credits	12,690	10,049
	453,359	62,565

3. Non-current assets – Exploration and evaluation assets

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<i>Exploration and evaluation</i>		
Movement:		
Opening balance	6,113,693	3,224,379
EIS Grant subsidy	(96,000)	-
Expenditure incurred	2,050,663	2,900,079
Impairment of capitalised expenditure	(44,443)	(10,765)
Closing balance	8,023,913	6,113,693
Closing balance comprises:		
Exploration and evaluation - 100% owned	8,023,913	6,113,693
Exploration and evaluation phases - joint operations	-	-
	8,023,913	6,113,693

For personal use only

4. Current assets – Trade & other receivables

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
GST receivable	89,799	49,065
Fuel tax credit receivable	11,235	-
	101,034	49,065

5. Current assets - Other current assets

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Prepayments	153,464	78,343
	153,464	78,343

6. Plant & Equipment

Consolidated	Other plant and equipment \$	Exploration equipment \$	Motor Vehicles \$	Total \$
At 30 June 2021				
Cost or fair value	11,536	19,041	47,278	77,855
Accumulated depreciation	(2,767)	(2,220)	(4,769)	(9,756)
Net book amount	8,769	16,821	42,509	68,099
Period ended 31 December 2021				
Opening net book amount	8,769	16,821	42,509	68,099
Assets purchased	868	148,348	-	149,216
Depreciation charge	(2,226)	(15,616)	(3,405)	(21,247)
Closing net book amount	7,411	149,553	39,104	196,068
At 31 December 2021				
Cost or fair value	12,404	165,169	47,278	224,851
Accumulated depreciation	(4,993)	(15,616)	(8,174)	(28,783)
Net book amount	7,411	149,553	39,104	196,068
Consolidated				
	Other plant and equipment \$	Exploration equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2021				
Opening net book amount	-	-	-	-
Assets purchased	11,536	19,041	47,278	77,855
Depreciation charge	(2,767)	(2,220)	(4,769)	(9,756)
Closing net book amount	8,769	16,821	42,509	68,099
At 30 June 2021				
Cost or fair value	11,536	19,041	47,278	77,855
Accumulated depreciation	(2,767)	(2,220)	(4,769)	(9,756)
Net book amount	8,769	16,821	42,509	68,099

For personal use only

7. Current liabilities – Trade & other payables

	Consolidated	
	31 December	30 June 2021
	2021	
	\$	\$
Trade creditors	677,960	410,770
Other payables and accruals	126,384	86,195
	804,344	496,965

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

During the 2019 year, management decided to discontinue operations at Burbanks, in line with its strategy to focus on the Group'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, Burbanks was sold for \$5.2 million cash to Mineral Ventures Pty Ltd.

Operating losses at Burbanks and liabilities relating to the discontinued operation are summarised as follows:

	31 December 2020
	\$
Other income	50,000
Total income	<u>50,000</u>
Expenses	
Total expenses	157,016
Operating profit/(loss)	<u>(107,016)</u>
Profit/(loss) from discontinued operations before tax	(107,016)
Tax expense	<u>-</u>
Profit/(Loss) for the period from discontinued operations	<u>(107,016)</u>

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

	30 June 2021
	\$
Current liabilities	
Trade & other payables	<u>69,145</u>
Liabilities classified as held for sale	69,145

Cashflows from/(used) by Burbanks for the reporting periods under review are as follows:

	31 December 2020
	\$
Operating activities	<u>(37,346)</u>
Cashflows from/(used in) discontinued operations	(37,346)

For personal use only

9. Current liabilities – Provisions

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Provision – Employee benefits	60,883	42,788
	60,883	42,788

10. Contributed equity

	Consolidated		Consolidated	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$	\$
(a) Share capital				
Ordinary shares				
Fully paid	317,868,032	140,096,943	56,234,651	45,369,857

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2020	Opening balance	87,038,009		42,451,894
16 September 2020	Issue of Shares – exercise of unlisted options	530,375	\$0.11	58,341
24 September 2020	Issue of Shares – exercise of unlisted options	470,102	\$0.095	51,711
19 October 2020	Issue of Shares – placement	31,578,951	\$0.11	3,000,000
22 October 2020	Issue of Shares – exercise of unlisted options	50,000	\$0.11	5,500
29 October 2020	Issue of Shares – exercise of unlisted options	220,000	\$0.11	24,200
19 November 2020	Issue of Shares – exercise of listed options	12,579	\$0.11	1,385
18 December 2020	Issue of Shares – exercise of listed options	17,283	\$0.11	1,901
23 December 2020	Issue of Shares – director placement	1,894,737	\$0.095	180,000
19 February 2021	Issue of Shares – exercise of listed options	11,395	\$0.11	1,253
21 April 2021	Issue of Shares - placement	18,273,512	\$0.08	1,461,881
				<u>1,645,019</u>
	Less: Transaction costs arising on share issues			(1,868,209)
30 June 2021	Balance	140,096,943		45,369,857
12 August 2021	Issue of shares – incentive rights vested	500,000		78,366
25 August 2021	Issue of shares – placement	12,182,343	\$0.068	828,399
13 October 2021	Issue of shares – director placement	625,000	\$0.08	50,000
12 October 2021	Issue of shares – incentive rights vested	175,500		11,794
15 October 2021	Issue of shares – placement	164,288,246	\$0.068	11,171,601
				<u>12,140,160</u>
	Less: Transaction costs arising on share issues			(1,376,341)
31 December 2021	Balance	317,868,032		56,133,676

11. Reserves

Reserves includes an option reserve arising from the issue of broker options and a share based payments for incentive rights issued to employees. The breakdown of reserves is as follows:

(a) Option Reserve

Date	Details	Number of options	Valuation	Option Reserve \$
1 July 2020	Opening balance – unlisted options	2,270,477		-
1 July 2020	Opening balance – listed options	-		-
16 September 2020	Exercise of unlisted options	(530,375)	-	-
24 September 2020	Exercise of unlisted options	(470,102)	-	-
22 October 2020	Exercise of unlisted options	(50,000)	-	-
23 October 2020	Allotment – attaching options placement	2,901,276	-	-
23 October 2020	Allotment – rights issue attaching options	1,892,439	-	-
23 October 2020	Allotment – shortfall offer attaching options	12,613,975	-	-
23 October 2020	Allotment – broker options	6,000,000	\$0.0178	107,000
29 October 2020	Exercise of unlisted options	(220,000)	-	-
19 November 2020	Exercise of listed options	(12,579)	-	-
18 December 2020	Exercise of listed options	(17,283)	-	-
22 December 2020	Allotment – broker options (listed)	15,000,000	\$0.087	1,308,768
19 February 2021	Exercise of listed options	(11,395)	-	-
21 April 2021	Listed broker options	4,000,000	\$0.0345	137,973
				<u>1,553,741</u>
30 June 2021	Balance – unlisted options	1,000,000		-
30 June 2021	Balance – listed options	42,366,433		1,553,741
30 June 2021	Total	43,366,433		1,553,741
18 October 2021	Allotment – broker options (unlisted)	12,000,000	\$0.0503	600,174
29 October 2021	Allotment – attaching options placement	6,299,542	-	-
				<u>600,174</u>
31 December 2021	Balance	61,665,975		2,153,915

During the half year the Company issue listed options to shareholders who participated in in the placement on 21 April 2021. The Company held a general meeting of shareholders on 8 October 2021 to ratify the issue of the attaching options to the placement holders. The listed options were subsequently issued on 29 October 2021. 12,000,000 unlisted options were also issued as consideration to Petra Capital Pty Ltd following completion of the capital raise in October 2021. The unlisted options were issued following shareholder approval at the General Meeting held on 8 October 2021. The fair value of the options at measurement date were measured using the Black Scholes option valuation methodology. The inputs used in the valuation are as follows:

Measurement Date	Expiry Date	Share price at Grant Date	Exercise Price	Expected Volatility	Risk-free Interest Rate	Fair Value at Grant Date
27 May 2020	7 January 2022	\$0.07	\$0.11	80%	0.26%	\$0.0178
19 October 2020	7 January 2022	\$0.18	\$0.11	80%	0.15%	\$0.087
21 April 2021	6 January 2023	\$0.096	\$0.11	80%	0.07%	\$0.0345
15 October 2021	31 October 2024	\$0.082	\$0.085	100%	0.51%	\$0.0503

Historical volatility of a group of comparable companies has been the basis of determining the expected share price volatility, as it is assumed that this is indicative of future movements. No adjustments has been made to the life of the option based on no past history regarding expected exercise or any variation of the expiry date. Accordingly, the expected life of the option has been taken to the full period of time from grant date to expiry date, which may fail to eventuate in the future.

11 Reserves (cont)

(b) Share based payment reserve

On 10 August 2020, the Company appointed Mr Tim Wither as Managing Director. Mr Wither's employment contract included the issue of Incentive Rights (Rights) following various milestones. The Rights were granted under the Company's Incentive Rights Plan. On 11 November 2021, the Company agreed to issue 4,000,000 Performance Rights under the Company's Incentive Option and Performance Rights Plan. Shareholders approved the Performance Rights at the Annual General Meeting of the Company held on 17 December 2021. During the half-year ending 31 December 2021 \$50,318 (2020: \$98,887) was expensed as a share based payment in relation to Mr Wither's Incentive Rights and Performance Rights. On 10 August 2021 500,000 Incentive Rights vested, resulting in 500,000 ordinary shares being issued to Mr Tim Wither on 12 August 2021.

On 1 October 2020, the Company appointed Mr Travis Murphy as Chief Geologist. Mr Murphy was granted rights under the Company's Incentive Options and Performance Rights Plan that was approved by Shareholders at the Annual General Meeting on 16 December 2020. During the half-year ending 31 December 2021 \$7,932 (2020: nil) was expensed as a share based payment in relation to Mr Murphy's Rights. On 1 October 2021, 175,500 Rights vested, resulting in 175,500 ordinary shares being issued to Mr Murphy on 12 October 2021.

Date	Details	Number of Rights	Valuation \$	Share Based Payment Reserve \$
1 July 2020	Opening balance	-		-
24 October 2020	Incentive Rights – T Wither	2,500,000	206,500	150,955
21 April 2021	Performance Rights – T Murphy	1,170,000	49,982	34,646
				<u>185,601</u>
30 June 2021	Balance	3,670,000		185,601
10 August 2021	Incentive Rights vested – T Wither	(500,000)	-	(78,366)
1 October 2021	Performance Rights vested – T Murphy	(175,500)	-	(11,794)
17 December 2021	Performance Rights	4,000,000	189,000	28,382
31 December 2021	Incentive Rights – T Wither	-	-	21,935
31 December 2021	Performance Rights – T Murphy	-	-	7,932
				<u>(31,911)</u>
31 December 2021	Balance	6,994,500		153,690
				Consolidated
			31 December 2021	30 June 2021
			\$	\$
Reserves				
Balance 1 July			1,739,342	-
Option reserve (a)			600,174	1,553,741
Share based payments reserve (b)			(31,910)	185,601
			<u>2,307,606</u>	<u>1,739,342</u>
Balance 30 June				

12 Commitments

Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company is required to outlay in the half year ending 31 December 2022 amounts of approximately \$1,123,300 (2021: \$1,123,300) 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 2021 (2020: nil).

13 Contingencies

Contingent Liabilities

The Group had no known contingent liabilities at 31 December 2021. (30 June 2021: nil)

Contingent Assets

An Adelaide Hills tenement package consisting of 5 tenements, including the Bird in Hand Gold Project was sold to Terramin Australia Limited ("Terramin") in 2013. The consideration included the following contingent payments 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 oz.

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.

14 Events occurring after the reporting period

The Company completed a pro-rata offer of securities to MXROD optionholders at an issue price of \$0.003 per Option to subscribe to one new option with an exercise price of \$0.11 expiring on 6 January 2023. The pro-rata offer was fully subscribed and the Company received applications for 38,366,433 options raising \$115,098 before costs. The 38,366,433 options were issued on 7 January 2022.

On 6 January 2022, a MXROD optionholder exercised 1 option, resulting in 1 ordinary share being issued raising \$0.11 before costs. On 7 January 2022, MXROD optionholders exercised 37,491 options resulting in 37,491 ordinary shares being issued raising \$4,124 before costs. On 7 January 2022, 38,324,941 MXROD listed options expired in accordance with their issued terms

On 8 January 2022, 1,000,000 MXRAL unlisted options expired in accordance with their issued terms.

On 28 January 2022, a MXROE optionholder exercised 244 options, resulting in 244 ordinary shares being issued, raising \$26 before costs.

There are no other 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 7 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 2021 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.



Tim Wither
Director

Adelaide 15 March 2022

For personal use only

Independent Auditor's Review Report

To the Members of Maximus Resources Limited

Report on the review of the half-year financial report

Conclusion

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 2021 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Maximus Resources Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Maximus Resources Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 2021 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*.

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 15 March 2022

For personal use only