



## **QUARTERLY ACTIVITIES REPORT**

### **QUARTER ENDED 30 JUNE 2014**

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Lithex Resources Limited (“Lithex” or “Company”) (ASX: LTX) is pleased to provide its report for the quarter ended 30 June 2014.

#### **HIGHLIGHTS OF THE QUARTER:**

##### **CORPORATE INITIATIVES**

- **Review of Company strategy.**
- **Preliminary discussions held with a number of parties regarding future investment opportunities.**

##### ***Subsequent to Quarter end:***

- **Binding Heads of Agreement executed to acquire the Mpire Media business.**
- **Placement to sophisticated investors to raise \$283,059 completed.**
- **Underwritten Rights Issue to be completed to raise up to \$542,000 and to enable shareholders to increase their stake in Lithex prior to its transformation into an internet services company.**

##### **EXPLORATION ACTIVITIES**

- **Rationalisation of tenements to reduce expenditure commitments.**
- **Settlement of the divestment of one (1) tenement.**

##### **CASH BALANCE**

- **Cash position remains strong, with a balance of \$1.163M at 30 June 2014.**

##### **CORPORATE INITIATIVES**

During the June Quarter, the Company continued the strategic review of its existing projects. As part of this process, the Company held non-binding discussions with a number of parties for the purpose of identifying future investment opportunities that would enhance shareholder value.

Subsequent to the quarter end, the Company entered in to a binding Heads of Agreement with Livelynk Group Pty Limited and Zhenya Holdings Pty Limited to acquire the Mpire Media business (“Mpire”), which is an established performance-based marketing business functioning at the forefront of the internet arena with operations across key sectors, and international reach to over 180 countries and regions built upon its industry leading software platform, nxus.

Mpire currently forms part of the Zhenya group of companies controlled by successful entrepreneur Zhenya Tsvetnenko and is being spun out in order to pursue additional growth opportunities on the back of expertise, contacts and technology built up over the past 5 years.

The future for performance-based advertising businesses is very strong, with the online advertising market predicted to grow from US\$110 billion in 2013 to US\$175 billion in 2017. It is Mpire's intention to take advantage of this level of market growth and to commercialise its custom built software and deliver it as a SaaS product (software as a service)

Subsequent to quarter end, the Company completed a placement of 14,152,950 shares to sophisticated investors to raise a total of \$283,059 ("Sophisticated Placement").

The Sophisticated Placement is part of a financing package that accompanies the Company's proposed acquisition of Mpire (refer to ASX announcement dated 10 July 2014).

In the September quarter, the Company intends to complete a rights issue at 2 cents per share ("Rights Issue"). The Rights Issue will be underwritten by CPS Capital Group Pty Ltd, and is expected to raise up to \$542,000 (before costs).

The Company has agreed to provide a secured loan of up to \$1.2M to Mpire to be drawdown in tranches.

## **EXPLORATION ACTIVITIES**

### **Tenement Review and Rationalisation**

As part of the cost cutting initiative commenced by the Company in mid-2013, the Company concluded its review and assessment of all tenements held and begun a process of divestment aimed at reducing expenditure commitments.

#### **Shaw River Tenement**

The Shaw River Project is located in the East Pilbara Goldfield region, within the highly mineralised Achaean Pilbara Craton. The project is centred on the Shaw River Tin Field, situated approximately 50km southwest of the township of Marble Bar.

On 19 June 2014, the Company completed the sale of its 90% interest in the Shaw River tenement for a cash consideration of \$67,500 (plus GST).

#### **Pilgangoora Rights**

The Pilgangoora Project tenements are located in the East Pilbara region, adjacent to the Pilgangoora Tantalum Field and approximately 120km south-south-east of Port Hedland.

The Company accepted a binding offer from a United Kingdom based client of Titan Capital Partners to purchase the Company's 90% mineral rights to lithium, tin and tantalum on the Pilgangoora E45/2375 Permit for the sum of \$15,000 (plus GST).

The offer was conditional upon completion of legal due diligence on the Permit (in particular the ability to transfer good title) and confirmation by the Company that all expenditure commitments for 2013/14 had been met.

Subsequent to 30 June 2014, and as announced on 17 July 2014, the sale to the client Titan Capital Partners was completed.

**The Munglinup Project**

The Munglinup Project is located in far south Western Australia, approximately 100km west of the town of Esperance. The Project is located along strike, and is contiguous with the eastern and southern sides of the Halbert's Main Munglinup Graphite Deposit (1.47Mt at 18.2% fixed carbon), which is held by Graphite Australia Pty Ltd.

The Greater Munglinup Project covers a total area of 579 km<sup>2</sup> over seven tenements – four of which are granted Exploration Licences and three are licences under application with the Western Australia Department of Mines and Petroleum.

During the Quarter, the Company entered into a binding Tenement Sale Agreement (Agreement) for the sale of the Company's Munglinup and Plumbago tenements to Sol Jar Property Pty Ltd for consideration of \$100,000.

Completion of the Agreement is conditional upon all necessary governmental consents and approvals, the purchaser being satisfied with the form and transferability of all landholder and heritage agreements (if any) in respect of the tenements and the Company obtaining all necessary regulatory and shareholder approvals (if any) in relation the transaction contemplated by the Agreement.

A refundable deposit of \$10,000 has been paid, with the balance of \$90,000 due at settlement, which is to be five business days after the date the conditions are satisfied, or such other date agreed by the parties.

The parties are working towards satisfying the conditions in order that completion can occur as soon as possible.

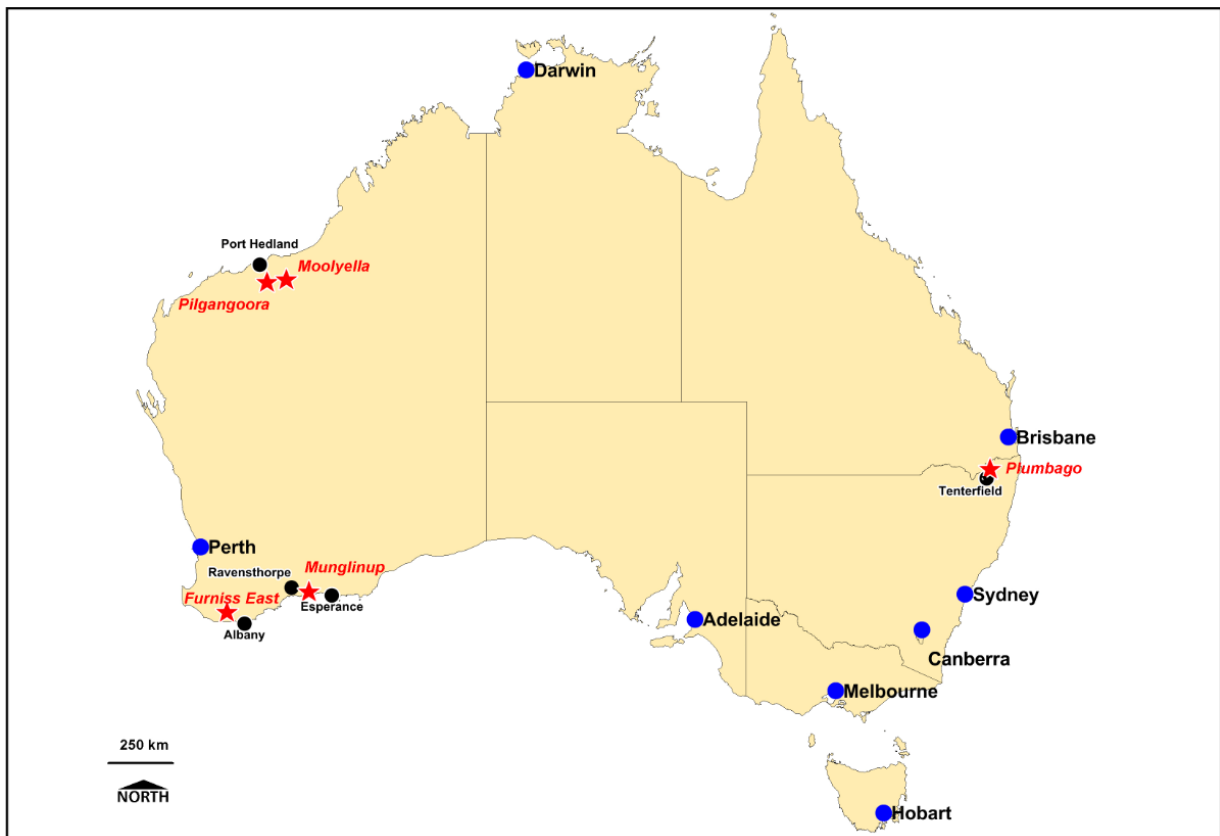
**Other Projects**

No material work was undertaken during the Quarter on any of the other tenements held by the Company.

**Schedule of Exploration Tenements as at 30 June 2014**

Tenements	Location	Held at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
E70/4212	WA	100%	-	-
E74/517	WA	100%	-	-
E74/518	WA	100%	-	-
E74/523	WA	100%	-	-
E74/531	WA	100%	-	-
E74/538	WA	100%	-	-
E74/544	WA	100%	-	-
E74/545	WA	100%	-	-
E45/2375	WA	90%	-	-
E45/3354	WA	-	-	90%
EL7915	NSW	100%	-	-
P45/2845	WA	90%	-	-
P45/2846	WA	90%	-	-
P45/2847	WA	90%	-	-

**Figure 1: Lithex Project Locations**



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**Forward Looking Statements**

*This report may contain forward looking statements that are subject to risk factors which are based on Lithex Resources' expectations relating to future events. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside the control of Lithex Resources, which could cause actual results to differ materially from such statements. Lithex Resources makes no undertaking to update or revise the forward-looking statements made in this report to reflect events or circumstances after the date of this release.*