



5 August 2014

Dear Shareholder

PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

We are writing to you as a registered holder of shares in Lithex Resources Limited (ACN 140 316 463) ("**Company**").

As announced to ASX on 5 August 2014, the Company is undertaking a pro rata non-renounceable offer of ordinary fully paid shares. The Offer is open to all shareholders of the Company whose details appear on the Company's register of shareholders as at the Record Date with a registered address in Australia or New Zealand or are otherwise eligible under all applicable securities laws to receive an offer of shares under the Rights Issue ("**Eligible Shareholders**").

The offer is on the basis of 1 new share ("**New Share**") for every 4 shares held by eligible shareholders of the Company on the Record Date at an issue price of \$0.02 per New Share to raise approximately \$542,530 (before expenses) ("**Offer**"), if fully subscribed. In calculating entitlements under the Offer, fractions will be rounded down to the nearest whole number.

The Company has set 5:00pm (WST) on 19 August 2014 as the Record Date for the purposes of determining shareholders' entitlement to participate in the Offer.

New Shares issued pursuant to the Offer issued under the Offer will rank equally to existing ordinary shares currently on issue at the relevant time and the Company will apply for official quotation of the New Shares.

A Prospectus in relation to the Offer has been lodged with the Australian Securities & Investments Commission and ASX setting out the timetable for the Offer, as shown below. A copy of the Prospectus is available on the ASX website at www.asx.com.au (ASX code: LTX) and on the Company's website at www.lithex.com.au.

Use of Proceeds

The Company intends to apply the proceeds raised from the Offer as follows:

| Description of Cash Outflows | |
|---|------------------|
| 1. Costs of Offer | \$69,115 |
| 2. Mpire Media Business Acquisition Due Diligence | \$243,466 |
| 3. Working Capital | \$229,769 |
| Total funds raised under the Offer | \$542,350 |

The Directors are satisfied that upon completion of the Offer (if fully subscribed), the Company will have sufficient capital to meet its stated objectives.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities and other factors.

Should the transaction to acquire the Mpire Media Business through the acquisition of Livelynk not proceed, the Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred which are not included in the above estimates. To capitalise on future opportunities and depending on the success of its activities the Company may require further equity fund raisings.

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), the acquisition of new opportunities and in the administration of the Company.

Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

| | Number of Shares | Number of Options |
|--|-------------------------|-------------------------|
| Balance at the date of this Prospectus | 108,505,967 | 60,412,754 ² |
| To be issued under the Offer | 27,126,491 ¹ | - |
| Balance after the Offer and Placement (if fully subscribed) | 135,632,458 | 60,412,754 |

Notes:

1. The number of Shares to be issued under the Offer assumes that no Options are exercised before the Record Date.
2. The Options comprise of:
 - (a) 36,882,754 Listed Options exercisable at \$0.08 on or before 31 December 2015;
 - (b) 1,000,000 Options exercisable at \$0.20 on or before 31 March 2015;
 - (c) 3,500,000 Options exercisable at \$0.20 on or before 10 May 2016;
 - (d) 7,130,000 Options exercisable at \$0.20 on or before 30 June 2015;
 - (e) 1,000,000 Options exercisable at \$0.30 on or before 30 June 2015;
 - (f) 250,000 Options exercisable at \$0.25 on or before 12 June 2015;
 - (g) 250,000 Options exercisable at \$0.25 on or before 12 December 2015;
 - (h) 400,000 Options exercisable at \$0.15 on or before 29 May 2015; and
 - (i) 10,000,000 Options exercisable at \$0.16 on or before 31 December 2016.

Important Dates

The Offer is proposed to be conducted according to the following timetable:

| Event | Date |
|--|----------------|
| Lodgement of Prospectus with ASIC | 5 August 2014 |
| Lodgement of Prospectus with ASX | 5 August 2014 |
| Announcement of Offer (Appendix 3B) | 5 August 2014 |
| Notice of Offer sent to Option holders | 5 August 2014 |
| Notice of Offer sent to Shareholders | 8 August 2014 |
| Last date to purchase Shares on market to participate in the Offer | 14 August 2014 |
| "Ex" Date (Date from which securities commence trading without the entitlement to participate in the Offer) ¹ | 15 August 2014 |

| | |
|--|-------------------|
| Record Date (5:00pm (WST)) (Date for determining entitlements of Eligible Shareholders to participate in the Offer) ² | 19 August 2014 |
| Prospectus and Entitlement and Acceptance Form dispatched to Shareholders and announces that this has occurred | 22 August 2014 |
| Opening Date | 25 August 2014 |
| Last day to extend the Offer closing date | 5 September 2014 |
| Closing Date 5:00pm (EST) | 10 September 2014 |
| Securities quoted on a deferred basis | 11 September 2014 |
| Notification to ASX of under subscriptions | 15 September 2014 |
| Issue Date | 16 September 2014 |
| Mailing of Holding Statements ³ | 16 September 2014 |
| Normal ASX trading of New Shares commences | 17 September 2014 |
| Issue of New Shares to Underwriter | 1 October 2014 |

Notes:

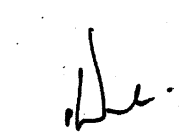
1. *Shareholders should consult their brokers or professional advisers in regards to the definition of "Ex" Date to ensure that their entitlement is assured.*
2. *Shareholders should consult their brokers or professional advisers in regards to the definition of "Record Date" to ensure that their entitlement is assured.*
3. *It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holdings statements will do so at their own risk.*

As soon as practicable following the Record Date, the Company will dispatch a Prospectus together with a personalised Entitlement and Acceptance Form to eligible shareholders. If you are eligible and wish to participate in the Offer, you will need to complete this personalised Entitlement and Acceptance Form and return it with the appropriate application monies to the Company's share registry before 5:00pm (EST) on the anticipated closing date of 10 September 2014.

The Prospectus includes details of the Offer and the risks associated with investing in the Company. It is recommended that you read the Prospectus carefully and, if you are interested in participating in the Offer, consult with your professional advisers.

If you do not wish to participate in the Offer, you do not need to take any action.

For further information please contact the Company Secretary on + 61 8 9481 3860.



Peter Webse

Company Secretary

ABOUT MPIRE MEDIA

Born from the Zhenya Group, Mpire Media was founded in 2006 by Zhenya Tsvetnenko and is now a rapidly growing performance-based online and mobile marketing solutions provider with a reach to over 180 countries. It has an experienced international team with offices in Perth, Dublin and Toronto.

Performance-based Advertising is now the dominant form of internet advertising, accounting for 66% of total US online advertising spend. In a Performance-based Advertising model, advertisers are only charged if the campaign achieves specific measurable results, such as generating sales, business leads or page views, which removes the media spend risk for advertisers.

Mpire Media has the skills, experience and backing of a huge network of associated specialist marketers, known as an affiliate network, which enables it to take an advertiser's product directly to the target audience and deliver results for the advertiser.

Mpire Media is the intermediary between advertisers and its network of affiliates. It manages the advertiser's offers and selectively sources affiliates to develop comprehensive customer acquisition solutions for the advertiser, through emerging forms of media and innovative technology. With transparency, reach, creative services, online compliance and a personalised strategy for the advertiser's business, the network provided by Mpire Media makes performance marketing simple.

Mpire Media differentiates itself from other business in this space through its sales-tracking and attribution technology platform, nxus. nxus not only identifies which source generated a sale, it also provides return on investment focused real-time sales modeling to help advertisers optimise their sales flow and measure user retention.

A significant opportunity exists to deliver nxus to third parties as a cloud-based SaaS ("Software as a Service") offering to manage their affiliate networks. Pursuing this opportunity will form a significant part of the growth potential for the Mpire Media business.