



ASX ANNOUNCEMENT

15 AUGUST 2014

Minor Amendment to Entitlement Issue Prospectus

Lithex Resources Limited (ASX: LTX) advises that the reference to 26.83% in the paragraph commencing "In the event the Sub-Underwriters...." under Section 4.2 on page 19 of the Entitlement Issue Prospectus, lodged with the ASX on 5 August 2014, has been amended to 19.46%.

A copy of the amended Entitlement Issue Prospectus is attached to this announcement.

Peter Webse
Company Secretary

LITHEX RESOURCES LIMITED

ACN 140 316 463

PROSPECTUS

For a fully underwritten non-renounceable pro rata offer of up to 27,126,491 New Shares at an issue price of \$0.02 each on the basis of 1 New Share for every 4 Shares held at the Record Date to raise approximately \$542,530 before costs.

Underwriter: CPS Capital Group Pty Ltd

THIS OFFER CLOSSES AT 5.00PM WST ON 10 SEPTEMBER 2014

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

CORPORATE DIRECTORY

Directors

Jason Peterson (Non-Executive Chairman)
Joe Graziano (Non-Executive Director)
Jack James (Non-Executive Director)

Company Secretary

Peter Webse

Registered Office

22 Lindsay Street
PERTH WA 6000

Telephone: +61 8 9328 6262

Underwriter

CPS Capital Group Pty Ltd
Level 45, 108 St George's Terrace
PERTH WA 6000

Share Registry*

Automic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

Telephone: +61 8 9324 2099
Facsimile: +61 8 9321 2337

Auditor*

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Stock Exchange Listing

Australian Securities Exchange
ASX Code for Shares: LTX

Solicitors to the Company

Price Sierakowski Corporate
Level 24, St Martin's Tower
44 St George's Terrace
PERTH WA 6000

Website

www.lithex.com.au

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

CONTENTS

| Section | Description | Page No |
|---------|---------------------------------|---------|
| | Chairman's Letter | 1 |
| | Important Notices | 2 |
| | Indicative Timetable | 4 |
| 1 | Details of the Offer | 5 |
| 2 | Action required by Shareholders | 12 |
| 3 | Risk Factors | 14 |
| 4 | Effect of the Offer | 18 |
| 5 | Additional Information | 22 |
| 6 | Authorisation | 35 |
| 7 | Glossary of Terms | 36 |



Dear Shareholders

On behalf of the Directors of Lithex Resources Limited, I am pleased to offer you the opportunity to participate in this fully underwritten 1 for 4 non-renounceable pro rata rights issue to raise approximately \$542,530 before costs.

As announced on 10 July 2014, the Company entered into a binding Heads of Agreement with Livelynk Group Pty Limited and Zhenya Holdings Pty Limited to acquire the Mpire Media business ("Mpire Media"), 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, nexus.

This capital raising will enable the Company to undertake the necessary due diligence of Mpire Media and increase working capital.

Mpire Media 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.

Mpire Media is an established business that provides online "performance-based marketing" technologies and services. Simply put, performance-based marketing offers advertisers the certainty of only paying for advertising that actually works.

Prior to the evolution of performance-based marketing, advertisers would pay to place advertisements online without being able to conclusively determine if these advertisements had led to any sales. With the introduction of performance-based marketing, advertisers can instead get access to real customers, who are genuinely interested in the advertisers' products, and only pay an advertising fee when there is a sale.

Mpire Media differentiates itself from other business in this space through its sales-tracking and attribution technology platform. This platform 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.

As you would be aware, following an extended period of difficulty in generating value from our portfolio of exploration assets, the Company embarked upon a review of our mineral projects and future strategy at the beginning of 2014. This led to the decision to continue the rationalisation of our portfolio, and to seek an opportunity, such as the Mpire Media Business Acquisition. The Board considers that the Mpire Media Business Acquisition offers an opportunity to realise significant future value upon the back of an exciting and growing business sector, led by expert professionals with a proven track record.

The Board recommends Shareholders strongly consider participating in the rights issue. We thank Shareholders for their ongoing support, and look forward to bringing you further updates as we move towards finalisation of the Mpire Media Business Acquisition later this year.

Yours faithfully

Jason Peterson
Chairman

IMPORTANT NOTICES

General

This Prospectus is dated 5 August 2014 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at 22 Lindsay Street, Perth, Western Australia, during normal business hours. A person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholders' entitlement to participate in the Offer.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities or options to acquire continuously quoted securities. This Prospectus is intended to read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

This Prospectus is important and should be read in its entirety. The New Shares to be issued under this Prospectus should be viewed as a speculative investment and investors should refer to the risk factors affecting the Company set out in Section 3. Investors should consult their stockbroker, lawyer, accountant or other professional adviser regarding an investment in the Company if necessary.

Before applying for New Shares, potential investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the New Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses and prospects.

Representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Foreign Jurisdictions

This Prospectus has been prepared to comply with the requirements of the laws of Australia. Except to the extent set out in Section 1.19, no action has been taken to register this Prospectus or otherwise permit the offer of New Shares in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any legal restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. The Offer made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of securities.

Please refer to Section 1.19 for further information regarding Eligible Shareholders and issues outside of Australia.

Forward Looking Statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as “intends”, “may”, “could”, “believes”, “estimates”, “targets” or “expects”. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this Prospectus, expected to take place, but there is no guarantee that such events will occur as anticipated or even at all given that many of the events are outside the control of the Company’s control.

Accordingly, the Company cannot and does not give any assurances that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by Automic Registry Services). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australia Taxation Office, authorised securities brokers, printed service providers, mail houses and Automic Registry Services.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

You can access, correct and update the personal information that the Company holds about you, subject to certain exemptions at law. A fee may be charged for access. Access requests must be made in writing to the Company’s registered office. Please contact the Company or Automic Registry Services if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

INDICATIVE TIMETABLE

Details shown in the table below are indicative only and subject to the Listing Rules and other applicable laws. The Directors reserve the right to vary the dates of the Offer, which may have a consequential effect on the other dates. **Applicants are therefore urged to lodge their Entitlement and Acceptance Forms as soon as possible.**

| | |
|--|-------------------|
| 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 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.

1. Details of the Offer

1.1 The Offer

The Company is making a fully underwritten non-renounceable pro rata offer of up to 27,126,491 New Shares at an issue price of \$0.02 each to Eligible Shareholders on the basis of 1 New Share for every 4 Shares held at 5:00 pm (WST) on the Record Date (“Offer”).

Where the determination of the entitlement of Eligible Shareholders results in a fraction, such fraction will be rounded down to the nearest whole number.

The New Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the Existing Shares. Please refer to Section 5.1 for a summary of the rights and liabilities attaching to the New Shares.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of New Shares to be issued pursuant to the Offer is 27,126,491. The Offer will raise approximately \$542,530 before expenses. The purpose of the Offer and the intended use of funds raised are set out in Section 1.5.

Shareholders should be aware of the risks associated with the Offer, details of which are set out in Section 3.

Eligible Shareholder wishing to apply for New Shares should refer to Section 2 for further details and instructions.

Option holders who exercise their Options after the date of this Prospectus but prior to the Record Date are entitled to participate in the Offer.

1.2 Eligible Shareholders

Eligible Shareholders may participate in the Offer. Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at 5:00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under this Prospectus.

Please refer to Section 1.19 regarding the treatment of overseas Shareholders.

1.3 Rights and Liabilities attaching to New Shares

The New Shares will rank equally in all respects with Existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1. Full details of the rights and liabilities attaching to the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.4 Operations Status

The Board has reviewed the Company's business and strategy and as a result rationalised the Company's projects whilst looking for a suitable acquisition in order to add shareholder value.

On 10 July 2014, the Company announced that it had entered into a binding Heads of Agreement to acquire all of the shares in Livelynk, the owner of the Mpire Media Business. The conditions precedent to effect the Mpire Media Business Acquisition were set out in the announcement to the ASX dated 10 July 2014 and include, but are not limited to, completion of

due diligence, re-compliance with Chapters 1 and 2 of the ASX Listing Rules and Shareholder approval.

In order to assist with securing the acquisition of the Mpire Media Business, the Company completed, on 17 July 2014, a placement to sophisticated investors of 14,152,952 Shares at an issue price of \$0.02 each, to raise a total of \$283,059 (before costs). The proceeds of this placement together with the proceeds of the Offer and existing working capital will be used to undertake due diligence in respect to the Mpire Media Business Acquisition and provide a secured loan to Livelynk of up to \$1,200,000, to be drawn down in a number of tranches pursuant to the Loan Agreement.

1.5 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$542,350 (before expenses), if fully subscribed.

The Company intends to apply the funds 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 (including the risk factors outlined in Section 3).

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.

1.6 Your entitlement and acceptance

Your entitlement to participate in the Offer will be determined on the Record Date, being 19 August 2014. The entitlement of Eligible Shareholders receiving this Prospectus is shown on the original Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus.

The Offer may be accepted in whole or in part prior to the Closing Date. Instructions for accepting your entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

1.7 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date, being 10 September 2014 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.8 Underwriting of the Offer

The Offer is fully underwritten by CPS Capital Group. A summary of the terms and conditions of the Underwriting Agreement is set out in Section 5.8. New Shares not taken up by Eligible Shareholders will be dealt with by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

1.9 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and Eligible Shareholders may not dispose of their rights to subscribe for New Shares to any other party. If an Eligible Shareholder does not take up its entitlement under the Offer by the Closing Date, the Offer to that Eligible Shareholder will lapse.

1.10 No Shortfall Facility

New Shares not taken up by Eligible Shareholders will be dealt with by the Underwriter in accordance with the terms of the Underwriting Agreement. There is no shortfall facility for Eligible Shareholders to take up any New Shares not subscribed for under the Offer.

1.11 Minimum Subscription

There is no minimum subscription.

1.12 Oversubscription

Oversubscription on the Offer will not be accepted.

1.13 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.14 Issue and dispatch

All New Shares offered by this Prospectus are expected to be issued, and security holder statements dispatched, on or before the date specified in the Timetable.

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 holding statements will do so at their own risk.

1.15 Allocation and Allotment of New Shares

The Directors reserve the right to reject any application or to allot a lesser number of New Shares than that applied for. If the number of New Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded in full

(without interest) to the relevant Applicant as soon as reasonably practicable after the Closing Date.

Subject to ASX granting approval for quotation of the New Shares, the allotment of New Shares will occur as soon as practicable after the Offer closes. All New Shares issued pursuant to the Offer will rank pari passu in all respects with the Existing Shares. Statements of shareholding will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell the New Shares before they receive their statement of shareholding will do so at their own risk.

1.16 Application Monies held on trust

All Application Monies received for the New Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All interest earned on Application Monies (including those which do not result in allotment of New Shares) will be retained by the Company and each Applicant waives its right to claim such interest.

1.17 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the official quotation of the New Shares. If permission is not granted by ASX for the official quotation of the New Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay in full to the relevant Eligible Shareholders, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the New Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the New Shares.

1.18 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Automic Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However, a charge may be made for additional statements.

1.19 Eligible Shareholders and Issue outside Australia

The Offer is only made to and available for acceptance by Eligible Shareholders. This Prospectus and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Return of a completed Entitlement Acceptance Form or payment to the Company will be taken by the Company to constitute a representation and warranty by the Applicant that it is eligible to receive an offer of, and be issued, New Shares under the Offer and that there has been no breach of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and anyone who receives this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The New Shares may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Malaysia

This Prospectus and any other materials relating to the New Securities have not been and will not be registered as a prospectus with the Malaysian Securities Commission under the *Capital Markets and Services Act 2007* (Cth) ("**CMSA**"). However, this Prospectus will be lodged as an information memorandum with the Malaysian Securities Commission in accordance with the CMSA. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Securities, may not be issued, circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia except pursuant to and in accordance with the exemptions in Schedule 6 of the CMSA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the CMSA.

This Prospectus has been given to Shareholders located in Malaysia on the basis that they are existing holders of Shares. Persons who receive this Prospectus and are not existing holders of Shares must return this Prospectus immediately. This Prospectus must not be forwarded or circulated to any other person in Malaysia.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Singapore

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or

sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act, Chapter 289 of Singapore* (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Shares. In the event that you are not such a Shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sri Lanka

This Prospectus is issued, distributed and circulated, and the offer it contains is strictly made, in Sri Lanka only to existing shareholders of the Company and to no other person (whether constituting the public or a section of the public of Sri Lanka).

Ineligible Shareholders

Shareholders who are not Eligible Shareholders are "**Ineligible Shareholders**".

Accordingly, these Offers are not being extended to any Shareholder outside Australia and New Zealand unless that Shareholder would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

Where this Prospectus has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Prospectus is provided for information purposes only.

1.20 Nominees, Trustees and Custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

1.21 Risk factors

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 3.

An investment in New Shares should be regarded as speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Factors affecting an investment in the Company include stock market fluctuations, competition risks, insurance risks, foreign currency exchange rate fluctuations, economic risks and external market factors, additional requirements for capital and change in government policy.

1.22 Taxation implications

The Directors are unable to provide Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Prospectus. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers.

The Company, its advisers and its Directors and officers do not accept any responsibility or liability for any such taxation consequences of the matters referred to above.

1.23 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2013 is in the Annual Financial Report which was lodged with ASX on 30 September 2013.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 September 2013 (the date of the Company's last annual report) are listed in Section 5.3.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.24 Electronic Prospectus

In addition to issuing this Prospectus in printed form, a read-only version of this Prospectus is also available on the Company's website, www.lithex.com.au. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

A person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

1.25 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Automic Registry Services by telephone on +61 8 9324 2099 from 8.30 am to 5.00 pm WST, Monday to Friday.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9481 3860.

2. Action required by Shareholders

2.1 Acceptance of Securities under this Prospectus

Should you wish to accept all of your entitlement to the New Shares, then applications for the New Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY[®] payment in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies (calculated at \$0.02 per New Share accepted) and as indicated on the Entitlement and Acceptance Form.

If you wish to pay via BPAY[®] you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlement upon receipt of the BPAY[®] payment by the Company. Eligible Shareholders who elect to pay via BPAY[®] do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY[®] then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to **"Lithex Resources Limited – Share Application Account"** and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery Automic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

By Post Automic Registry Services
PO Box 223
WEST PERTH WA 6005

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY[®] payment.

2.2 If you wish to take up part of your entitlement only

Should you wish to only take up part of your entitlement, then applications for New Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY[®] payment in respect of the portion of your entitlement you wish to take up, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.02 per New Share accepted), and attach a cheque for the appropriate Application Monies.

If you wish to pay via BPAY[®] you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlement upon receipt of the BPAY[®] payment by the Company. Eligible Shareholders who elect to pay via BPAY[®] do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY[®] then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to **"Lithex Resources Limited – Share Application Account"** and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

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WEST PERTH WA 6005

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PO Box 223
WEST PERTH WA 6005

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY[®] payment.

2.3 Entitlements not taken up

If you do not wish to accept any of your entitlement, you are not obliged to do anything.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement.

2.4 Enquiries concerning your entitlement

If you have any queries concerning your entitlement please contact:

Automic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

Telephone: +61 8 9324 2099

3. Risk Factors

Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks. However, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks associated with the Company

(a) Mpire Media Business Acquisition

The Company has entered into a binding heads of agreement to acquire Livelynk and consequently the Mpire Media Business. The Mpire Media Business Acquisition will result in a change to the nature and scale of the Company's operations.

The Mpire Media Business Acquisition (whether completed or not) requires the payment of monies to Livelynk (as a secured loan) prior to, and to facilitate, the completion of comprehensive due diligence. There can be no guarantee that the Mpire Media Business Acquisition will be completed or be successful. If the Mpire Media Business Acquisition is not completed, monies already advanced may not be recoverable even though the loan has been secured. This may have a material adverse effect on the Company.

Completion of the Mpire Media Business Acquisition is subject to the satisfaction (or waiver) of a number of conditions precedent by no later than 31 December 2014, including (but not limited to):

- (i) both parties being satisfied with their due diligence investigations of the other within 30 business days of the execution date of the Agreement;
- (ii) the parties agreeing to the terms and conditions of a formal share sale agreement to effect the Mpire Media Business Acquisition;
- (iii) the Company obtaining all necessary shareholder approvals under the Corporations Act and the Listing Rules in relation to the Mpire Media Business Acquisition, including (but not limited to) approvals required for the following:
 - (A) re-compliance with the admission and quotation requirements of ASX;
 - (B) change to the Company's activities;
 - (C) a consolidation of the Company's existing capital and change of name;
- (iv) the Company receiving conditional approval from ASX to have its securities re-instated to trading on the ASX on terms acceptable to both the Company and the Livelynk shareholder; and
- (v) the Company raising a minimum of \$3,500,000 at \$0.20 per share.

There is therefore uncertainty as to whether the Mpire Media Business Acquisition will complete.

If the Mpire Media Business Acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current businesses and new businesses, which may result in the Company raising additional capital (if available) in the future. Furthermore, notwithstanding that the Mpire Media Business Acquisition may proceed upon the completion of due diligence, the risks associated with the new business activities will remain.

Any new business acquisition may change the risk profile of the Company, particularly as the Mpire Media Business involves an emerging business model and/or changes the Company's capital/funding requirements.

Should the Company propose or complete the Mpire Media Business Acquisition, investors should re-assess their investment in the Company in light of the new project/business activity.

(b) **Future Capital Requirements**

The Company's activities will require significant expenditures. There can be no assurances that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

The Company will also be required to raise a minimum of \$3,500,000 in order to complete the Mpire Media Business Acquisition. If the Company does not successfully raise \$3,500,000 then the Mpire Media Business Acquisition will not complete.

(c) **Specific Risks – Current Activities**

In the event that the Mpire Media Business Acquisition does not complete, there are a number of specific risk factors that may impact the future performance of the Company in relation to its current activities.

(i) **Operation Risks**

The business of mineral exploration, by its nature, contains elements of risk, with no guarantee of success. The success of these activities is, amongst other things, dependent upon:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital;
- securing and maintaining title to interests;
- obtaining consents and approvals to undertake exploration and associated activities; and
- access to appropriately qualified and experienced operational management, contractors and other personnel.

(ii) **Divestment of assets, review of strategy and identify potential acquisitions**

The Company has recently announced the divestment of a number of its exploration assets through three separate transactions. Two of these transactions have completed and the third is expected to complete in the near future.

If the Mpire Media Business Acquisition does not complete, the Company will continue to review the business strategy with the view to identifying other investment opportunities to improve shareholder value. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(iii) **The Company does not expect to declare any dividends in the foreseeable future**

The Company does not anticipate declaring or paying any dividends to Shareholders in the foreseeable future. Consequently, investors may need to rely on sales of their Securities to realise any future gains on their investment.

(d) **Contractors & Service Providers**

The Directors are unable to predict the risk of financial failure, default or insolvency or other managerial failure by any of the contractors or service providers used by the Company in any of its activities.

(e) **Intellectual Property Risks**

The brand names, trademarks and other intellectual property of the Company are regarded as critical to its success. Accordingly, the Company is reliant on regulations regarding copyright and trade marks and confidentiality restrictions with staff, contractors and others to safeguard its intellectual property rights. The Company has made reasonable efforts to protect its intellectual property. However, unauthorised use or exploitation of its intellectual property may occur and result in an adverse effect on the operating and financial performance of the Company. The Company may experience conflict with third parties who may contest its rights to what it believes is its intellectual property, particularly in countries other than Australia. The Company cannot assure Shareholders that the actions it has taken to establish and protect its intellectual property will be adequate to prevent imitation of its products by others or to prevent others from seeking to block sales of its products as a violation of proprietary rights of others.

(f) **Foreign Exchange Risk**

If the Mpire Media Business Acquisition completes, it is anticipated that a proportion of the Company's future revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies. To comply with Australian reporting requirements, the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar. The Company does not hedge for foreign currency risk. This may result in the Company being exposed to exchange rate risk, which may have an adverse effect on the profitability and/or financial position of the Company.

3.2 General Risks

(a) Securities Investments

There are risks associated with any securities investment. The prices at which the Shares trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for “cleantech” companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of the Shares regardless of the Company’s operational performance.

(b) Share Market Conditions

Share market conditions may affect the value of Shares regardless of the Company’s operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) changes in investor sentiment toward particular market sectors;
- (iv) the demand for, and supply of, capital; and
- (v) terrorism or other hostilities.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and “cleantech” stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, or any other country in which the Company operates, interest rates and the rate of inflation.

(d) Changes in Government Policies & Legislation

Any material adverse changes in government policies or legislation of Australia or any other country where the Company may acquire economic interests may affect the viability and future profitability of the Company.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

4. Effect of the Offer

4.1 Capital Structure on completion of the Offer

| | 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.

4.2 Effect on Control

As at the date of this Prospectus, Jason Peterson and his associates have a relevant interest in 4,211,859 Shares, representing 3.88% of the Shares currently on issue.

The relevant interest of Jason Peterson and his associates (including the Underwriter) will vary depending upon the take-up of the entitlement to subscribe for New Shares under the Offer by Shareholders. Below is a table detailing various scenarios.

| Jason Peterson and his associates (including the Underwriter) | Total percentage acceptance take-up of entitlements by Eligible Shareholders | | | | |
|---|--|-------------|-------------|-------------|-------------|
| | 100% | 75% | 50% | 25% | 0% |
| Current Shares held | 4,211,859 | 4,211,859 | 4,211,859 | 4,211,859 | 4,211,859 |
| Entitlement taken up under this Offer | 1,052,964 | 1,052,964 | 1,052,964 | 1,052,964 | 1,052,964 |
| Shares to be issued under Underwriting Agreement | Nil | 6,781,623 | 13,563,245 | 20,344,868 | 27,126,491 |
| Number of Shares held immediately following the Offer | 5,264,823 | 12,046,446 | 18,828,068 | 25,609,691 | 32,391,314 |
| Total Shares on issue following the Offer | 135,632,458 | 135,632,458 | 135,632,458 | 135,632,458 | 135,632,458 |
| Relevant Interest following completion of the Offer | 3.88% | 8.88% | 13.88% | 18.88% | 23.88% |

The above table assumes:

- (a) the take-up by Jason Peterson and his associates (excluding the Underwriter) of all their entitlements, being 1,052,965 New Shares (in accordance with Jason Peterson's commitment (other than the scenario where 0% of the entitlement is taken up by the Eligible Shareholders); and
- (b) the Sub-Underwriters do not complete their sub-underwriting commitments.

The Sub-Underwriters collectively have a commitment to underwrite 16,000,000 New Shares:

- (a) Jason Peterson – 10,000,000;
- (b) Jack James – 3,000,000; and
- (c) Joe Graziano – 3,000,000.

The Sub-Underwriters do not have a relevant interest in Shares, save and except for the relevant interest Jason Peterson and his associates have as detailed above. The Sub-Underwriters will not receive a fee for their sub-underwriting commitments.

In the event the Sub-Underwriters each complete their sub-underwriting commitments (of 16,000,000 Shares), the percentage of Shares Jason Peterson and his associate would have following the Offer would be as follows – at 100% take-up above, 3.88%, at 75% take-up, 7%, at 50% take-up, 10.13%, at 25% take-up, 14.48% and at 0% take-up, 19.46%. These figures assume that if the shortfall under the Offer is less than the sub-underwriting commitments of 16,000,000 New Shares, the Sub-Underwriters will meet their reduced sub-underwriting commitments in their respective proportions of the total sub-underwriting commitment.

Future Intentions of Jason Peterson and his associates

Each of Jason Peterson and his associates (including the Underwriter) may by the Offer increase their relevant interest in Shares and have greater than a 20% relevant interest. They have informed the Company that on the facts and circumstances presently known to them, they are supportive of its current direction and they do not currently intend to make any major changes to its direction and objectives, and that, other as disclosed in this Prospectus and in relation to the Mpire Media Business Acquisition as announced to the ASX on 10 July 2014:

- do not currently intend to make any significant changes to our existing business;

- do not currently intend to inject further capital into the Company other than in underwriting the Offer. However, if the Company requires additional funding in the future, they will assess such requirement and will decide whether to provide such funding based on the prevailing circumstances at that time;
- intend to support the Company's decisions regarding the future employment of its present employees and contemplate that they will continue in the ordinary course of business;
- do not currently intend for any property to be transferred between the Company and it or any person associated with it;
- do not currently intend to redeploy the Company's fixed assets; and
- do not currently intend to change the Company's existing financial or dividend policies.

Jason Peterson and his associates have indicated that their intentions detailed above are based on the facts and information regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by them based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, their intentions may change accordingly.

4.3 Proposed Offer

Basis of Preparation

The pro-forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005).

The pro forma balance sheets have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the unaudited statement of financial position as at 30 June 2014 that has then been adjusted to reflect the material transactions in the notes below.

| | 30 June 2014 \$ | Pro-Forma 30 June 2014 \$ |
|------------------------------------|--------------------|---------------------------------|
| Current Assets | | |
| Cash and cash equivalents (Note 1) | 1,163,874 | 1,917,940 |
| Trade and other receivables | 12,576 | 12,576 |
| Assets classified as held for sale | 115,000 | 100,000 |
| Total Current Assets | 1,291,450 | 2,030,516 |
| Non-Current Assets | | |
| Property, plant and equipment | 3,274 | 3,274 |
| Total Non-Current Assets | 3,274 | 3,274 |
| TOTAL ASSETS | 1,294,724 | 2,033,790 |
| Current Liabilities | | |
| Trade and other payables | 112 | 112 |
| Other liabilities | 41,616 | 41,616 |
| Total Current Liabilities | 41,728 | 41,728 |

| | | |
|--------------------------|------------------|------------------|
| TOTAL LIABILITIES | 41,728 | 41,728 |
| NET ASSETS | 1,252,996 | 1,992,062 |
| Equity | | |
| Issued capital (Note 1) | 8,655,606 | 9,406,807 |
| Options Reserve | 85,015 | 85,015 |
| Accumulated losses | (7,487,625) | (7,499,760) |
| TOTAL EQUITY | 1,252,996 | 1,992,062 |

Note 1: Reconciliation of Cash at Bank and Issued Capital

| | Cash | Issued Capital |
|--|------------------|-----------------------|
| | \$ | \$ |
| Balance at 30 June 2014 | 1,163,874 | 8,655,606 |
| Sale of exploration asset | 15,000 | - |
| Funds raised from 17 July 2014 Placement | 283,059 | 283,059 |
| Cost of Placement | (17,408) | (17,408) |
| Funds to be raised from Rights Issue | 542,530 | 542,350 |
| Estimated cost of Rights Issue | (69,115) | (56,980) |
| Pro Forma Balance | 1,917,940 | 9,406,807 |

4.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.049 per Share on 11 July 2014

Lowest: \$0.014 per Share on 26 June 2014

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.044 per Share on 4 August 2014.

4.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5. Additional Information

5.1 Rights attaching to Shares

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with Existing Shares in the Company. The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to the rights attaching to the Shares are set out in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which can be inspected at the Company's registered office during normal business hours.

(a) Ranking of Shares

As at the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the New Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

(b) Voting

Subject to any special rights or restrictions (at present there are none), at any general meeting of the Company each Shareholder present in person or by proxy has one vote on a show of hands, and on a poll, has one vote for each fully paid up Share and a fraction of one vote for each partly paid up Share that that Shareholder holds.

(c) Dividends

The Directors may from time to time declare and pay or credit a dividend out of the Company's profits. Subject to any special rights (at present there are none), any dividends that may be declared by the Directors are payable on all Shares in proportion to the amount paid up. The Company is not required to pay any interest on any dividend.

(d) Variation of Rights

The rights attaching to the Shares may only be varied or cancelled by a special resolution passed at a general meeting of the Company.

(e) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferrable.

The Directors may refuse to register any transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

(f) Meetings and Notice

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Company's Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's Constitution.

(g) Future increase in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the restrictions on the issue or grant of securities contained in the Listing

Rules, the Company's Constitution and the Corporations Act and any rights or restrictions attached to any class of Shares, the Directors may in their absolute discretion issue Shares on any terms, at any time and for any consideration as the Directors resolve.

(h) **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of Shareholders distribute among the Shareholders the whole or any part of the Company's property and decide how to distribute the Company's property as between the Shareholders or different classes of Shareholders. Subject to any rights or restrictions attached to a class of Shares (at present there are none), on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares held by a Shareholder bears to the total amount paid and payable (including amounts credited) on all Shares.

5.2 Corporate Governance

This summary identifies the main corporate governance policies and practices adopted by the Company's Board. The Board and the management team are committed to high standards of corporate governance in the performance of their duties.

The Role of the Board

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

Composition of the Board

The current Board comprises of Jason Peterson, Joe Graziano and Jack James as Non-Executive Directors. The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

5.3 Continuous Disclosure

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act which are applicable to a prospectus for continuously quoted securities as applied by ASIC Class Order CO 00/195.

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to

include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus. These requirements include notifying ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the market.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the annual financial report for the Company for the financial year ended 30 June 2013 (being the annual financial report most recently lodged by the Company with ASIC);
 - (ii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report for the year ended 30 June 2013 and before the date of this Prospectus; and
 - (iii) the documents used to notify ASX of information relating to the Company during the period after lodgement of the annual financial report for the Company for the financial year ended 30 June 2013 and prior to the date of this Prospectus.

Copies of all documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company has lodged the following announcements with ASX since the lodgement of its annual financial report for the financial year ended 30 June 2013 (being 30 September 2013):

| Date Lodged | Subject of Announcement |
|--------------------|--|
| 05/08/2014 | Update on Loan Agreement; |
| 31/07/2014 | Completion of Sale of Mungilup & Plumbago Tenements; |
| 29/07/2014 | Quarterly Activities Report; |
| 29/07/2014 | Quarterly Cashflow Report; |
| 17/07/2014 | Completion of Sale of Pilgangoora Rights; |
| 17/07/2014 | Section 708A Notice; |

| Date Lodged | Subject of Announcement |
|--------------------|---|
| 17/07/2014 | Placement Completed; |
| 10/07/2014 | Investor Presentation; |
| 10/07/2014 | Transformation to High Potential Internet Marketing Business; |
| 08/07/2014 | Trading Halt; |
| 30/06/2014 | Settlement on Sale of Pilgangoora Rights Extended; |
| 27/06/2014 | Completion of Shaw River Tenement Sale; |
| 23/06/2014 | Replacement Announcement; |
| 23/06/2014 | Settlement Date for Munglinup & Plumbago Tenements Extended; |
| 19/06/2014 | Settlement Date for Shaw River Tenement Sale Extended; |
| 30/05/2014 | Tenement Sale Agreement-Munglinup & Plumbago Tenements; |
| 28/05/2014 | Mining Tenement Sale Agreement – Shaw River Tenement; |
| 22/05/2014 | Sale of Pilgangoora Rights; |
| 21/05/2014 | Replacement Securities Trading Policy; |
| 16/04/2014 | Quarterly Activities Report; |
| 16/04/2014 | Quarterly Cashflow Report; |
| 15/04/2014 | Ceasing to be a Substantial Shareholder; |
| 14/03/2014 | Half Year Accounts; |
| 11/03/2014 | Change of Company Secretary & CFO; |
| 10/02/2014 | Change of Share Registry Address; |
| 24/01/2014 | Quarterly Cashflow Report; |
| 24/01/2014 | Quarterly Activities Report; |
| 19/12/2013 | Initial Director's Interest Notice Mr J Peterson Amended; |
| 12/12/2013 | Initial Director's Interest Notice Mr J James; |
| 12/12/2013 | Final Director's Interest Notice Mr Stuart House; |
| 12/12/2013 | Change to Board and Company Details of Lithex; |
| 05/12/2013 | Initial Director's Interest Notice Mr G Graziano; |
| 05/12/2013 | Initial Director's Interest Notice Mr J Peterson; |
| 05/12/2013 | Final Director's Interest Notice Mr J Conidi; |

| Date Lodged | Subject of Announcement |
|--------------------|--|
| 05/12/2013 | Final Director's Interest Notice Mr D Williams; |
| 05/12/2013 | Changes to the Board of Lithex Resources; |
| 15/11/2013 | Results of Annual General Meeting; |
| 15/11/2013 | Annual General Meeting – Exploration Update; |
| 15/11/2013 | Annual General Meeting – Chairman's Address to Shareholders; |
| 31/10/2013 | Quarterly Cashflow Report; |
| 31/10/2013 | Quarterly Activities Report; and |
| 14/10/2013 | Notice of Annual General Meeting/Proxy Form. |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.lithex.com.au.

5.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the securities under this Prospectus.

5.6 Directors' interests

(a) Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in
 - (A) the formation or promotion of the Company;
 - (B) the Offer; or
 - (C) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; nor
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Shareholding Qualifications

The Directors are not required to hold any Shares under the Company's Constitution.

(c) **Directors' Holdings**

Set out in the table below are details of Directors' relevant interests in the Securities of the Company at the date of this Prospectus:

| Director | No. of Shares Held⁽¹⁾ | No. of Options Held | Entitlement to Subscribe for Shares⁽²⁾ |
|-------------------------------|---|----------------------------|--|
| Jason Peterson ⁽³⁾ | 4,211,859 | 9,087,080 | 1,052,965 |
| Joe Graziano | - | - | - |
| Jack James | - | - | - |

Notes:

- (1) Held directly or indirectly by the Director or a related party of the Director.
- (2) Entitlement to subscribe for Shares that will be held directly or indirectly.
- (3) Jason Peterson and his associates have advised that they intend to take up their full rights pursuant to the Offer.

See Section 4.2 for the potential relevant interest of Directors arising from the Underwriting and Sub-Underwriting of the Offer.

(d) **Remuneration of Directors**

The Company's Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a general meeting. Total directors' fees paid to all non-executive directors is not to exceed \$200,000 per annum. Director's fees paid to non-executive directors accrue on a daily basis. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold Shares and Non-Executive Directors may receive incentive options in order to secure and/or retain their services.

Fees cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

Directors received the following remuneration for the preceding two financial years:

| Directors | Year | Salary & Fees \$ | Superannuation \$ | Options \$ | Other non-cash Benefits \$ | Total |
|-------------------------------|------|---------------------|----------------------|---------------|----------------------------------|--------|
| Jason Peterson ⁽¹⁾ | 2014 | 23,333 | - | - | - | 23,333 |
| | 2013 | - | - | - | - | - |
| Joe Graziano ⁽²⁾ | 2014 | 23,333 | - | - | - | 23,333 |
| | 2013 | - | - | - | - | - |
| Jack James ⁽³⁾ | 2014 | 23,333 | - | - | - | 23,333 |
| | 2013 | - | - | - | - | - |

Notes:

- (1) Appointed as a Director on 5 December 2013.
- (2) Appointed as a Director on 5 December 2013.
- (3) Appointed as a Director on 12 December 2013.

(e) Other interests

Mr Jason Peterson is a director and shareholder of CPS Capital Group who will receive an underwriting fee of 6% (plus GST) of the Underwritten Amount.

Mr Jason Peterson is a director and shareholder of Automic Share Registry which provides share registry services to the Company

Mr Jack James is a principal of Palisade Business Consulting, which provides accounting and CFO services to the Company.

5.7 Interests and consents of experts and advisers

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in
 - (i) the formation or promotion of the Company;
 - (ii) the Offer; or
 - (iii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; nor
- (b) has been paid or given or will be paid or given, any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Price Sierakowski Corporate has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than any references to it. Price Sierakowski Corporate will be paid approximately \$10,000 (excluding GST and disbursements) for services

in relation to this Prospectus. In the past 2 years, Price Sierakowski Corporate has been paid fees totalling \$8,000 by the Company.

Rothsay Chartered Accountants has given and, has not before lodgement of this Prospectus withdrawn, its written consent to be named as the Company's auditor in the form and context in which it is named, together with all references to it in this Prospectus. Rothsay Chartered Accountants has had no involvement in the preparation of any part of this Prospectus other than being named as the auditor. Rothsay Chartered Accountants has not authorised or caused the issue of this Prospectus and takes no responsibility for, any part of this Prospectus other than any references to it.

CPS Capital Group has given and, has not before lodgement of this Prospectus withdrawn, its written consent to be named as the underwriter of the Underwritten Shares in the form and context in which it is named, together with all references to it in this Prospectus. CPS Capital Group has had no involvement in the preparation of any part of this Prospectus other than being named as underwriter of the Underwritten Shares. CPS Capital Group has not authorised or caused the issue of this Prospectus and takes no responsibility for, any part of this Prospectus other than any references to it. CPS Capital Group will be paid an underwriting fee of 6% (plus GST) of the Underwritten Amount. Please refer to Section 5.8 for further details of the terms and conditions of the Underwriting Agreement.

Automic Share Registry has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions. Automic Share Registry has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Company's share registry in the form and context in which it is named, together with all references to it in this Prospectus. Automic Share Registry has had no involvement in the preparation of any part of this Prospectus other than being named as the Company's share registry. Automic Share Registry has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

5.8 Underwriting

The Company entered into an underwriting agreement with CPS Capital Group ("**Underwriting Agreement**") dated 23 July 2014 pursuant to which the Company has engaged CPS Capital Group to underwrite the Underwritten Shares up to the amount of \$542,530 ("**Underwritten Amount**").

The Company must pay to CPS Capital Group in consideration of its underwriting obligations under the Underwriting Agreement, 6% of the Underwritten Amount.

The Company has also agreed to reimburse CPS Capital Group for all reasonable costs and expenses incurred in connection with the underwriting.

The obligation of CPS Capital Group to underwrite the Underwritten Shares is subject to certain standard events of termination. CPS Capital Group may terminate its obligations under the Underwriting Agreement if:

- (a) **Share Price:** the share price of the Company trading on the ASX under the ASX code of LTX finishes trading for 2 consecutive days with a closing share price that is less than \$0.02 between the Opening Date and the Closing Date.
- (b) **Indices fall:** the S&P or ASX 200 Index closes on any 2 consecutive trading days before the shortfall notice deadline date (which is defined in the Underwriting Agreement as being within 4 business days after the closing date or any other date agreed to by the parties the Company must give the Underwriter written notice of

any shortfall securities) by 5% or more below its respective level as at the close of business on the Business Day prior to the execution date;

- (c) **No Listing Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX within 7 days of the specified lodgement Date;
- (d) **No Official Quotation:** ASX has advised the Company that it will or may not grant official quotation to the Underwritten Shares on or prior to the shortfall notice deadline date, which is defined in the Underwriting Agreement as being within 4 business days after the closing date or any other date agreed to by the parties the Company must give the Underwriter written notice of any shortfall securities;
- (e) **Restriction on allotment:** the Company is prevented from allotting the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (f) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (g) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer;
- (h) **Authorization:** any authorization which is material to anything referred to in this Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (i) **Event of Insolvency:** an insolvency events occurs in respect of a relevant company as defined in the Underwriting Agreement;
- (j) **Indictable offence:** a director or senior manager of a relevant company, as defined under the Underwriting Agreement, is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or
- (k) **Termination Events:** subject to other provisions of the Underwriting Agreement, upon the occurrence of any of the following events:
 - (i) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date required therein;
 - (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement or becomes untrue or incorrect;
 - (iii) **Contravention of constitution or Act:** a contravention by a relevant company, as defined in the Underwriting Agreement, of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **Adverse change:** an event occurs which gives rise to a material adverse effect, as defined in the Underwriting Agreement, in relation to the

Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of a relevant company;

- (v) **Error in Due Diligence Results:** it transpires that any of the due diligence results or any part of the verification material referred therein was false, misleading or deceptive or that there was an omission from them that is materially adverse from the point of view of an investor;
- (vi) **Significant change:** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or this Prospectus;
- (viii) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (x) **Prescribed Occurrence:** a matter prescribed in the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
- (xi) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (xii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$50,000.00 is obtained against a relevant company, as defined in the Underwriting Agreement, and is not set aside or satisfied within 7 days;
- (xiii) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against a relevant company, as defined in the Underwriting Agreement, other than any claims foreshadowed in the Prospectus;
- (xiv) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter;
- (xv) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a relevant company, as defined in the Underwriting Agreement, or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company as defined in the Underwriting Agreement;
- (xvi) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 3 Business Days;
- (xvii) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

- (xviii) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **Capital Structure:** any relevant company, as defined in the Underwriting Agreement, alters its capital structure in any manner not contemplated by the Prospectus & the Mandate Letter;
- (xx) **Breach of Material Contracts:** any of the Contracts is terminated or substantially modified;
- (xxi) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a related company; or
- (xxii) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents ("**Related Parties**") and hold them harmless from and against all prosecutions, losses (including losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) ("**Liability**") arising out of or in respect of:

- (a) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus;
- (b) any advertising of the Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Offer which accompany the Prospectus or otherwise arising out of the Offer;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus, any advertising of the Offer or any documents in respect of the Offer which accompany the Prospectus; or
- (d) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement.

The Company has provided warranties, representations and undertakings in favour of CPS Capital Group that are normal for an agreement of this nature.

CPS Capital Group may procure any person to sub-underwrite such portion of the Offer as CPS Capital Group, in its absolute discretion, thinks fit. The Underwriter is responsible for all sub-underwriting fees in relation to the Offer.

The Underwriting Agreement has the potential to affect the control of the Company as the Underwriter will subscribe for any New Shares that are not taken up by Eligible Shareholders pursuant to their entitlement. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer, as well as the extent to which the Underwriter allocates the remaining New Shares to nominees not associated with the Underwriter.

The Underwriter's current shareholding and potential interest in the Company following the Offer are as follows:

| | |
|---|------------|
| Shares held prior to the Offer | - |
| % holding prior to Offer | -% |
| New Shares to be issued under the Offer | 27,126,491 |
| % holding following the Offer assuming 75% of New Shares subscribed under the Offer | 5% |
| % holding following the Offer assuming 50% of New Shares subscribed under the Offer | 10% |
| % holding following the Offer assuming 25% of New Shares subscribed under the Offer | 15% |
| Maximum number of New Shares which may be issued pursuant to the Underwriting Agreement | 27,126,491 |
| Maximum % holding following the Offer assuming all New Shares are issued to the Underwriter | 20% |

The Sub-Underwriters collectively have a commitment to underwrite 16,000,000 New Shares. The Sub-Underwriters do not have a relevant interest in Shares of the Company, save and accept for the relevant interest Jason Peterson and his associates have as detailed in Section 4.2. The Sub-Underwriters will not receive a fee for their sub-underwriting commitments.

5.9 Expenses of Offer

The estimated expenses of the issue are as follows:

| | \$ |
|--------------------------------------|---------------|
| ASIC lodgement fee | 2,290 |
| ASX quotation fees | 3,558 |
| Underwriting fee | 32,552 |
| Legal expenses | 10,000 |
| Printing, mailing and other expenses | 20,715 |
| Total | 69,115 |

5.10 Electronic Prospectus

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please email the Company at admin@lithex.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.lithex.com.au.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

5.11 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

6. Authorisation

This Prospectus is dated 5 August 2014 and is issued by Lithex Resources Limited. Its issue has been authorised by a resolution of the Directors.

The Directors have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Lithex Resources Limited.

Jack James
Non-Executive Chairman

Dated: 5 August 2014

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application Monies means application monies for the New Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Limited (ACN 008 504 532).

ASX means ASX Limited (ACN 008 624 691) or the Australian Stock Exchange as the context requires.

Automic Registry Services means Automic Pty Ltd (ACN 152 260 814).

Board means the board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of the ASX.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 10 September 2014 or such later date as the Directors may determine, subject to the requirements of the Listing Rules.

Company means Lithex Resources Limited (ACN 140 316 463).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

CPS Capital Group means CPS Capital Group Pty Ltd (ACN 088 055 636), AFSL 294848.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder 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 New Shares under the Offer.

Entitlement and Acceptance Form or **Form** means the entitlement and acceptance form attached to this Prospectus that sets out the entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

Existing Shares means the Shares on issue as at the Record Date.

Ineligible Shareholder has the meaning given to that term in Section 1.19.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Official Listing Rules of ASX.

Livelynk means Livelynk Group Pty Ltd (ACN 134 429 637).

Loan Agreement means the loan agreement dated 9 July 2014 between the Company as lender and Livelynk as borrower.

Mpire Media Business means the performance based online advertising network business operated by Livelynk.

Mpire Media Business Acquisition means the proposed acquisition of the Mpire Media Business on the terms announced by the Company on ASX on 10 July 2014.

New Share means a new Share offered and issued under this Prospectus.

Offer has the definition given to that term in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Opening Date means the opening date of the Offer set out in the Timetable, being 25 August 2014.

Option means the right to acquire a Share.

Prospectus means this prospectus dated 5 August 2014.

Record Date means the record date specified in the Timetable.

Section means a section of this Prospectus.

Shareholder means a holder of Shares.

Share means a fully paid ordinary share in the capital of the Company.

Sub-Underwriters means collectively Jason Peterson, Joe Graziano and Jack James.

Timetable means the indicative timetable for the Offer on page 4 of this Prospectus.

Underwriting Agreement means the underwriting agreement dated 23 July 2014 between the Company and CPS Capital Group.

Underwritten Amount has the meaning given to it in Section 5.8.

Underwritten Shares means the New Shares which are to be offered at the issue price of \$0.02 per New Share in accordance with this Prospectus.

WST means Western Standard Time, being the time in Perth, Western Australia.

SRN/HIN

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 5.00PM (WST) 10 SEPTEMBER 2014

Shares held as at the
Record Date, 5.00pm
(WST) on
19 August 2014

Entitlement to New Shares
on the basis of 1 New
Shares for 4 Shares held
at the Record Date

Amount payable on full
acceptance at A\$0.02 per
Share:

IMPORTANT: As an Eligible Shareholder you are entitled to acquire the above New Shares for the amount payable. This Offer is being made under the Prospectus dated 5 August 2014. The Prospectus contains information about investing in the New Shares and you should carefully read the Offer Document before applying for New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus. If you do not understand it or you are in doubt as to how you should deal with it, you should seek professional advice.

1 Insert the number of New Shares applied for
and accepted (being not more than your
Entitlement shown above)

| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| [] | [] | [] | [] | [] | [] | [] | [] | [] | [] |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

2 Payment Amount (multiply the number in section 1 by
A\$0.02)

| | | | | | | | | | |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| A | [] | [] | [] | [] | [] | [] | [] | [] | [] |
| \$ | [] | [] | [] | [] | [] | [] | [] | [] | [] |

3 PLEASE INSERT CHEQUE DETAILS

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **Lithex Resources Limited – Share Application Account** crossed "Not Negotiable" and forwarded to Automatic Registry Services to arrive no later than 5.00pm (WST) on the Closing Date.

Cheque Number

BSB

Account Number

| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| [] | [] | [] | [] | [] | [] | [] | [] | [] | [] |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

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| [] | [] | [] | [] | [] | [] | [] | [] | [] | [] |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

4 BPAY

| | |
|---|---|
|  | <p>Biller Code: <input style="width: 100%;" type="text"/></p> <p>Ref: <input style="width: 100%;" type="text"/></p> |
| <p>Telephone & Internet Banking – BPAY®</p> <p>Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account. More info: www.bpay.com.au</p> | |

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this Entitlement and Acceptance Form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by 4.00pm (WST) on the Closing Date. **You do not need to return this Entitlement and Acceptance Form if you have made payment via BPAY.**

5 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number

Contact Name (PRINT)

| | | |
|---|--|---|
| (| <input style="width: 90%;" type="text"/> |) |
|---|--|---|

| |
|--|
| <input style="width: 95%;" type="text"/> |
|--|

INSTRUCTIONS TO COMPLETION OF THIS ENTITLEMENT AND ACCEPTANCE FORM

The Offer to which this Entitlement and Acceptance Form relates is only being made to those persons who are registered as a holder of Shares at 5:00pm (WST) on the Record date and have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry:

- you represent and warrant that you have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and agree to the terms set out in the Prospectus and this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company; and
- your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

HOW TO APPLY FOR NEW SHARES

1 Acceptance of Entitlement Shares

Enter into section 1 the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of Entitled New Shares for which you are applying.

3 Cheque Details

Enter your cheque details in section 3. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **Lithex Resources Limited – Share Application Account** and crossed “Not Negotiable”. Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for.

4 BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

5 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm. We may use this number to contact you regarding your acceptance of the New Shares, if necessary.

HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

To assist you in lodging your application a reply paid envelope has been enclosed for your use. No postage stamp is required if it is posted within Australia. Alternatively, if you have lost the reply paid envelope your completed Entitlement and Acceptance Form can be mailed or delivered with your payment for New Shares to either of the below addresses. Please ensure your application and payment is received by the close of the offer.

Mailing Address

Lithex Resources Limited
C/- Automic Registry Services
PO Box 223
WEST PERTH WA 6872

Hand Delivery

(Please do not use this address for mailing purposes)

Lithex Resources Limited
C/- Automic Registry Services
Level 1, 7 Ventnor Avenue
WEST PERTH WA 6005

Enquiries relating to the Prospectus should be directed to the Company Secretary by telephone on +61 8 9481 3860.