



ASX ANNOUNCEMENT

21 October 2014

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 30 SEPTEMBER 2014

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

HIGHLIGHTS OF THE QUARTER:

CORPORATE INITIATIVES

- Share purchase and sale agreement (“SPA”) executed to acquire the Mpire Media business (“Mpire”).
- Placement to sophisticated investors to raise \$283,059 completed.
- Due Diligence completed by parties to SPA.
- Secured loan funds of \$0.6 million provided to Mpire.

Subsequent to Quarter end:

- Shaw Stockbroking appointed as Lead Manager to \$10m raising.
- Underwritten Rights Issue completed to raise \$542,530 (including issue of shortfall shares to underwriter).
- Secured loan funds of \$0.6 million provided to Mpire.

EXPLORATION ACTIVITIES

- Rationalisation of tenements to reduce expenditure commitments.
- Settlement of the divestment of Munglinup, Plumbago and Pilgangoora tenements.

CASH BALANCE

- Cash position remains strong, with a balance of \$794k at 30 September 2014.

CORPORATE INITIATIVES

During the September Quarter, the Company entered in to a binding Heads of Agreement (“HOA”) with Livelynk Group Pty Limited and Zhenya Holdings Pty Limited to acquire Mpire, an established performance-based marketing business with operations across key sectors and international reach to over 180 countries and regions, built upon its industry leading software platform, nexus.

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

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

As announced on 30 September 2014, the Company entered into a Share Sale and Purchase Agreement ("SPA") with Zhenya Holdings Pty Ltd to formalise the terms of the HOA. The SPA is subject to a number of conditions precedent to be satisfied by no later than 31 January 2015.

The following conditions precedent were satisfied during the quarter:

- Completion of Due Diligence requirements; and
- Livelynk Group Pty Ltd providing audited accounts for the past 3 financial years.

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

The Sophisticated Placement was part of a financing package that accompanies the Company's proposed acquisition of Mpire.

During the quarter, the Company undertook a fully underwritten rights issue at 2 cents per share ("Rights Issue"). The Company received valid acceptances of 9,826,426 new shares raising \$196,529 during the quarter. The Rights Issue was underwritten by CPS Capital Group Pty Ltd, with a shortfall of 17,300,046 new shares to be placed by the underwriter raising \$346,001. The underwritten rights issue was completed subsequent to the end of the Quarter (refer to ASX announcement dated 10 October 2014). The Rights Issue raised \$542,530 (before costs).

The Company has agreed to provide a secured loan of up to \$1.2M to Mpire to be drawn down in tranches. During the Quarter, Mpire requested and were provided an initial drawdown tranche of \$0.6M. Subsequent to Quarter end Mpire requested and were provided the final drawdown tranche of \$0.6M.

Subsequent to Quarter end, the Company appointed Shaw ICS Advisory Pty Ltd (Shaw Stockbroking) as the Lead Manager for the Company's proposed \$10 million dollar capital raising to be conducted as part of its intended acquisition of Mpire (refer to ASX announcement dated 2 October 2014).

EXPLORATION ACTIVITIES

Tenement Review and Rationalisation

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

Pilgangoora Rights

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

The Company completed the sale of its 90% mineral rights to lithium, tin and tantalum on the Pilgangoora E45/2375 Permit to United Kingdom based client of Titan Capital Partners for the sum of \$15,000 (plus GST).

The Munglinup Project

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

During the Quarter, the Company completed the sale of its Munglinup and Plumbago tenements to Sol Jar Property Pty Ltd for consideration of \$100,000.

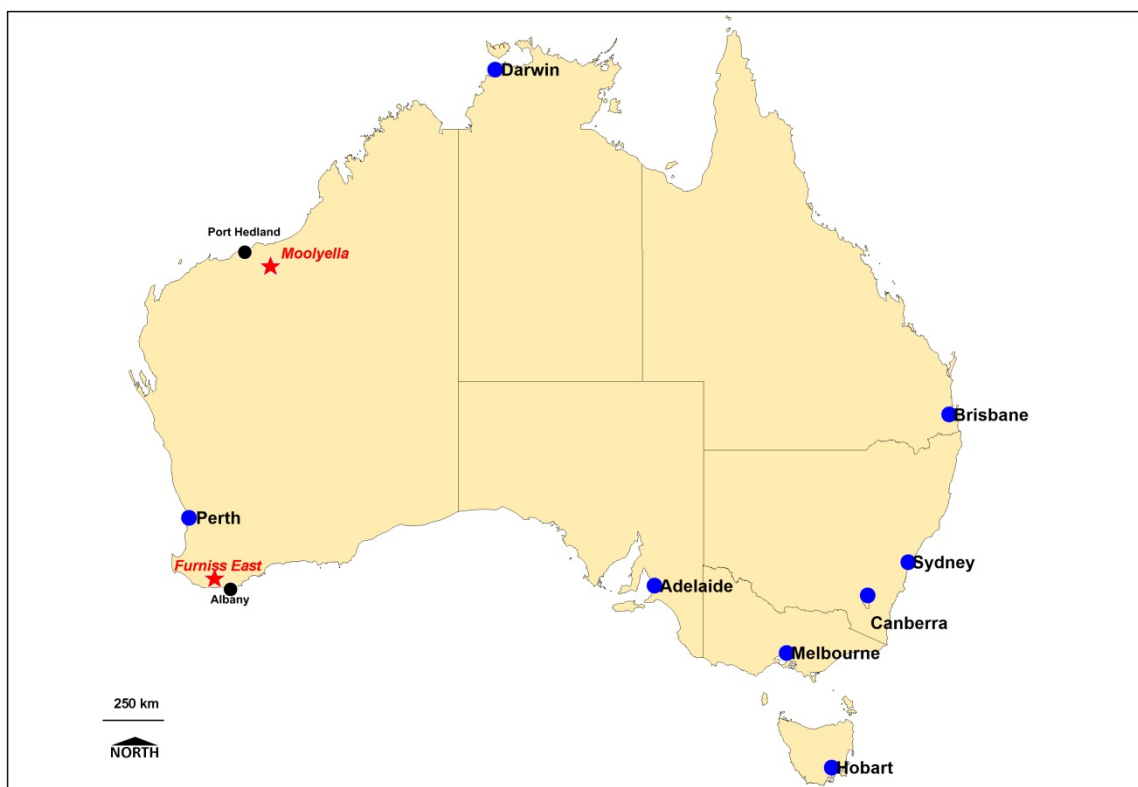
Other Projects

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

Schedule of Exploration Tenements as at 30 September 2014

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

Figure 1: Lithex Project Locations



For further information please contact:

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Forward Looking Statements

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