

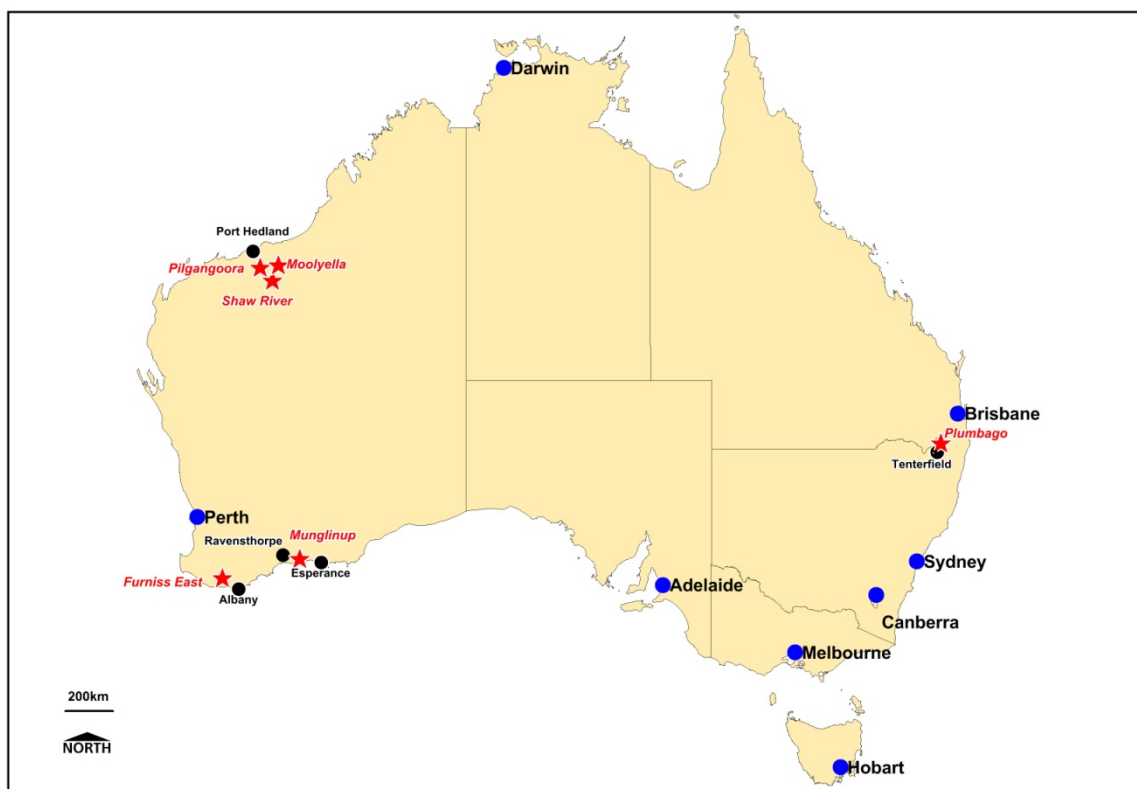


## QUARTERLY ACTIVITIES REPORT QUARTER ENDED 31 MARCH 2014

During the March Quarter, Lithex Resources Limited (ASX: LTX or “Lithex”) continued a review and rationalisation of its current projects and future strategy.

### HIGHLIGHTS OF THE QUARTER:

- Rationalisation of tenements and reduction of costs continued.
- Review of Company focus and strategy continued.



**Figure 1: Lithex Project Locations**

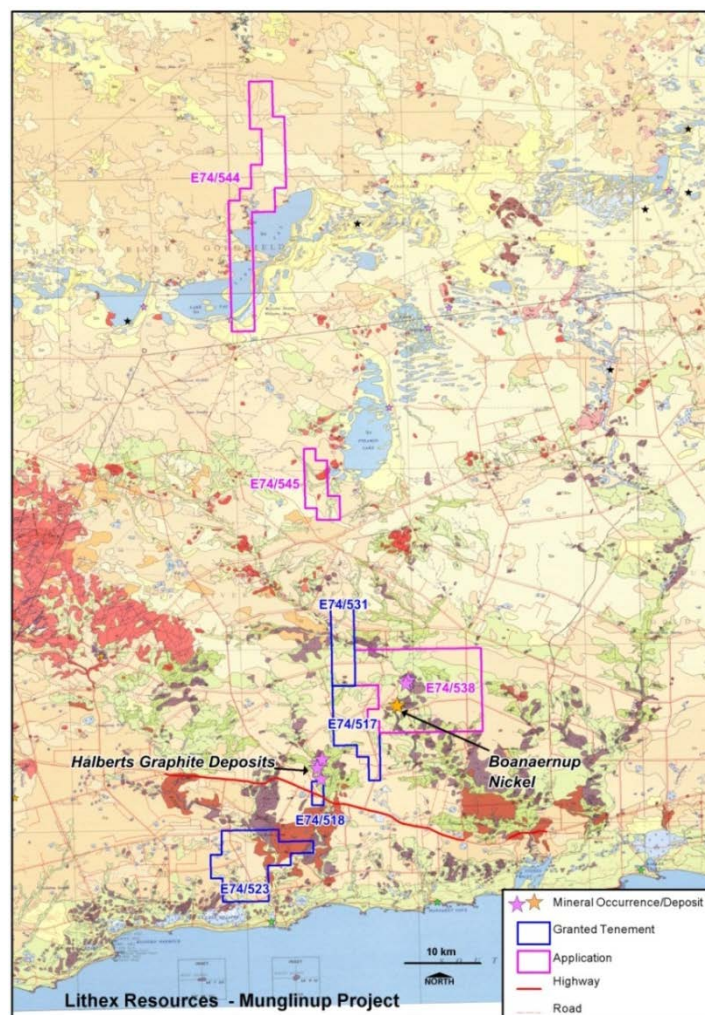
## Exploration Activities

### The Munглиnup Project

The Munглиnup 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 Munглиnup Graphite Deposit (1.47Mt at 18.2% fixed carbon), which is held by Graphite Australia Pty Ltd. (See location in figure 2) Recent work by Lithex at Munглиnup has increased the prospectivity of the Lithex Project area to host nickel sulphide deposits.

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

During the Quarter, rehabilitation of the drilling areas from the 2013 program was completed on the Munглиnup Central tenement (E74/518). Approval to explore on Park Reserve 31750, located on E74/531, was granted during the Quarter. Several of the previously identified EM targets are located within this Park Reserve.



**Figure 2: Munглиnup Project, including new tenement applications**

**Other Projects**

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

**Tenement Review and Rationalisation**

As part of the cost cutting initiative commenced by the Company in mid-2013, the Company has continued a review and assessment of all tenements held, with the aim of reducing tenement expenditure commitments across the project portfolio, balanced against the commercial prospectivity of those tenements. This review has resulted in the relinquishment of a further tenement during the quarter (see Appendix 5B – Quarter ending 31 March 2014). Additionally, discussions regarding the divestment of a number of tenements is underway, details of which will be advised once appropriate.

**Corporate Activities**

The Company's cash position remains strong, with a balance of \$1.166M at 31 March 2014.

The Company is currently reviewing its strategy to maximize shareholder returns.

**Schedule of Exploration Tenements as at 31 March 2014**

| Tenements | Location | Held at End of Quarter | Acquired During the Quarter | Disposed During the Quarter |
|-----------|----------|------------------------|-----------------------------|-----------------------------|
| E70/4212  | WA       | 100%                   | -                           | -                           |
| E74/517   | WA       | 100%                   | -                           | -                           |
| E74/518   | WA       | 100%                   | -                           | -                           |
| E74/523   | WA       | 100%                   | -                           | -                           |
| E74/531   | WA       | 100%                   | -                           | -                           |
| E74/538   | WA       | 100%                   | -                           | -                           |
| E74/544   | WA       | 100%                   | -                           | -                           |
| E74/545   | WA       | 100%                   | -                           | -                           |
| E45/2375  | WA       | 90%                    | -                           | -                           |
| E45/3354  | WA       | 90%                    | -                           | -                           |
| E45/3373  | WA       | -                      | -                           | 90%                         |
| EL7915    | NSW      | 100%                   | -                           | -                           |
| P45/2845  | WA       | 90%                    | 90%                         | -                           |
| P45/2846  | WA       | 90%                    | 90%                         | -                           |
| P45/2847  | WA       | 90%                    | 90%                         | -                           |

**For further information please contact:**

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Company Secretary

Lithex Resources Limited

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**About Lithex Resources Limited:**

Lithex Resources Limited is an exploration company focused on unlocking the resource potential of Australia's graphite-rich provinces. The Company has a project portfolio covering 848km<sup>2</sup> of land in Australian regions considered highly prospective for graphite, of which 475km<sup>2</sup> is granted, including the Munglinup Graphite and Nickel Project in far south Western Australia. The Company is currently reviewing its strategy to maximize shareholder returns.

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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.*