

LITHEX RESOURCES LIMITED

ABN 97 140 316 463

2011 Financial Report

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Corporate Directory

Directors

Malcolm Carson

(Non-Executive Chairman)

Robert Mandanici

(Managing Director)

Steven Crabbe

(Executive Director)

Company Secretary

Neal Shoobert

Bankers

National Australia Bank

Level 1

1238 Hay Street

West Perth WA 6005

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway,

Applecross WA 6153

Telephone: (08) 9315 2333

Registered Office

75 King Street,

Perth WA 6000

Telephone: (08) 9200 5885

Facsimile: (08) 9200 4586

Email: info@lithex.com.au

Auditors

Rothsay Chartered Accountants

152/158 St Georges Tce

Perth WA 6000

Telephone: (08) 6364 5076

Stock Exchange Listing

The Company is listed on the Australian Stock Exchange Ltd (ASX)

Website

www.lithex.com.au

Australian Stock Exchange Code:

LTX

Schedule of Mineral Tenements as at 30 June 2011

Project Name	Interest Held %
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Moolyella Project

Moolyella	M45/1081	Application	90%
Moolyella	E45/3172	Granted	90%
Moolyella	E45/3424	Granted	90%
Moolyella	P45/2813	Application	100%
Moolyella	P45/2814	Application	100%
Moolyella	P45/2815	Application	100%
Moolyella	E45/3873	Application	100%

Shaw River Project

Shaw River	E45/3439	Granted	90%
Shaw River	E45/3354	Granted	90%

Pilgangoora Project

Pilgangoora	E45/2375	Granted	90%
Pilgangoora	E45/3373	Granted	90%

Arthur River Project

Arthur River	E09/1066	Granted	100%
Arthur River	E09/1067	Granted	100%

Directors' report

Your Directors present their report, together with the financial statements of the company, for the year ended 30 June 2011.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Malcolm Carson - Executive Chairman

Mr Carson has over 35 years' experience in all aspects of the resources sector ranging from mineral resource exploration to investment banking (project finance, debt and equity funding, royalty finance, corporate finance and treasury), government, mining equipment manufacture and hire, asset acquisition, corporate restructuring and business development. Mr Carson has held various senior exploration and mine management, director and chief executive positions during his career in the mining industry, including in ASX listing companies.

As a project exploration geologist and exploration manager, Mr Carson has been responsible for supervising early exploration which has led to a number of mineral resource discoveries and the development of gold, coal and nickel mines and major discoveries of iron ore and copper yet to be developed.

Mr Carson has direct relevant experience in exploration for tin and tantalum in the Pilbara Mineral Fields and rare earth oxides.

Mr Robert Mandanici - Managing Director

Mr Mandanici has worked in both the Private and Government sector and has extensive knowledge of corporate governance, process and procedure. Mr Mandanici and his family have a strong network & association with exploration and mining companies in Australia. Mr Mandanici was previously a director of Auvex Resources Limited, an Australian based manganese mining company.

Mr Steven Crabbe - Executive Director

Mr Crabbe has held senior positions in mining companies in the maintenance and production areas. He has 34 year's experience in the mining and processing of iron ore, titanium minerals, alumina, gold and manganese. Mr Crabbe was the founder of Auvex Resources Limited and as Managing Director took the company from inception to a producing manganese miner. Mr Crabbe is a Director of Naracoota Resources Limited, an exploration company with Gold projects.

He is the founder and director of a successful mining services company.

Interests in the shares and options of the Company

The relevant interest of each Director in the shares or options over shares of the Company, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares	Performance Shares
Malcolm Carson ⁽²⁾	500,000	Nil	500,000
Robert Mandanici ⁽²⁾	2,160,000	Nil	2,000,000
Steven Crabbe ⁽¹⁾⁽²⁾	1,950,000	500,000	2,000,000

1) Steven Crabbe holds the following options:

- (a) 500,000 options exercisable at 20 cents each on or before 30 June 2015

2) Performance Shares

- a) Mr Carson is entitled to 500,000 ordinary shares on the completion of one year's service,
- b) Messrs Mandanici and Crabbe are entitled to 1,000,000 ordinary shares each on the completion of one year's continuous service and 1,000,000 ordinary shares each on the completion of two years continuous service.

Share options

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
31/03/2015	0.20	1,000,000
09/05/2016	0.20	3,500,000
30/06/2015	0.20	7,130,000
30/06/2015	0.30	1,000,000
		12,630,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

No shares have been issued by the Company, during or since the end of the financial year, as a result of the exercise of options.

Earnings per share

	Cents
Basic earnings (loss) per share	(0.01)

Dividends

No dividends were paid or declared since the end of the previous financial year. The Directors do not recommend a payment of a dividend in respect of the current financial year.

Director's meetings

The number of meetings of Directors held during the year (including meetings of committees of Directors) and the number of meetings attended by each Director were as follows:

	Board meetings	
	A	B
Malcolm Carson	6	6
Robert Mandanici	6	6
Steven Crabbe	6	6

Notes

A = number of meetings attended

B = number of meetings held during the time the Director held office during the year or was a member of the relevant committee

Principal activities

The principal activities of the Company during the year were mineral exploration and identification of potential mining assets for acquisition and development.

There were no significant changes in the nature of the Company's principal activities during the year.

Operating and financial review

Lithex Resources Limited (ASX: LTX) ("Lithex" or "the Company") presents the following report on activities for the year ending 30 June 2011.

Lithex Resources Limited (the company) commenced trading on the ASX on 17 May 2011 following the completion of a very successful initial public offer that raised \$4.0M before costs. The initial public offer was heavily oversubscribed and well supported by the companies lead manager and our team of corporate advisors.

The company's projects comprise of; Moolyella, Shaw River, Pilgangoora, all located in the East Pilbara & the Arthur River project, located in the Gascoyne region. All of the company's projects are located in Western Australia and total in excess of 775km² in area. **See Figure 1.**

Upon listing on the ASX the company appointed the highly regarded and experienced professional technical consultants; Terra Search Pty Ltd and Nagrom Laboratories. The company has since commenced work at its Moolyella Project. The Moolyella project is located approximately 23 kilometres east-north-east of the township of Marble Bar and is accessible by sealed road.

Early work undertaken at Moolyella included: data compilation & construction of database, mapping & sampling tailings dumps, classification & prioritisation of dumps for re-treatment, mapping & sampling of alluvial areas, mapping of hard rock deposits & old drill sites, data compilation & planning of further exploration and the statutory approvals for Stage 2 Exploration. This initial work has identified large volumes of material that showed the presence of cassiterite (SnO₂) and tantalite (Ta₂O₅) mineralisation in panned concentrates and a number of hard rock drill targets.

Your directors are further encouraged by the persistent presence of rare earth minerals which included the highly valued rare earth oxides, the Lanthanides and other rare minerals. These anomalous results were higher in proportions than expected and included together with the lanthanides; tantalum, niobium, yttrium and gadolinium.

In line with the company's strategy of increasing its tenement portfolio, Lithex has made a number of tenement applications, including an application for an Exploration Licence, E45/3873 and applications for Prospecting Licences P45/2813, P45/2814 and P45/2815. These areas are all adjacent to the company's Moolyella Project.

In addition to these applications the company has completed the transaction to secure tenement P45/2599 in the highly mineralised Pilgangoora region, adding to the company's tenements in this area. Furthermore and of great interest to shareholders of Lithex, Altura Mining Limited (ASX:AJM) announced on 8 August 2011, a JORC resource of 10.5M tonnes at 1.25% Li₂O. This deposit is located approximately 2km south and along strike, from Lithex's newly acquired tenement. **See Figure 2.**

The Pilgangoora region has always had a strong history of commercial pegmatite's hosting tantalum and its associated host, the lithium feldspar; spodumene. The Altura result confirms this mineral prospectivity and the presence of significant new deposits of Spodumene in this exciting region of the Pilbara.

Lithex, in the short term looks forward to its Stage 2 exploration program at Moolyella as well as the commencement of field exploration at the Pilgangoora, Shaw River and Arthur River projects.

The company continues to be committed to its mission to build a viable, long term business in the rare metals market, enhancing the company's assets and bringing wealth to shareholders.

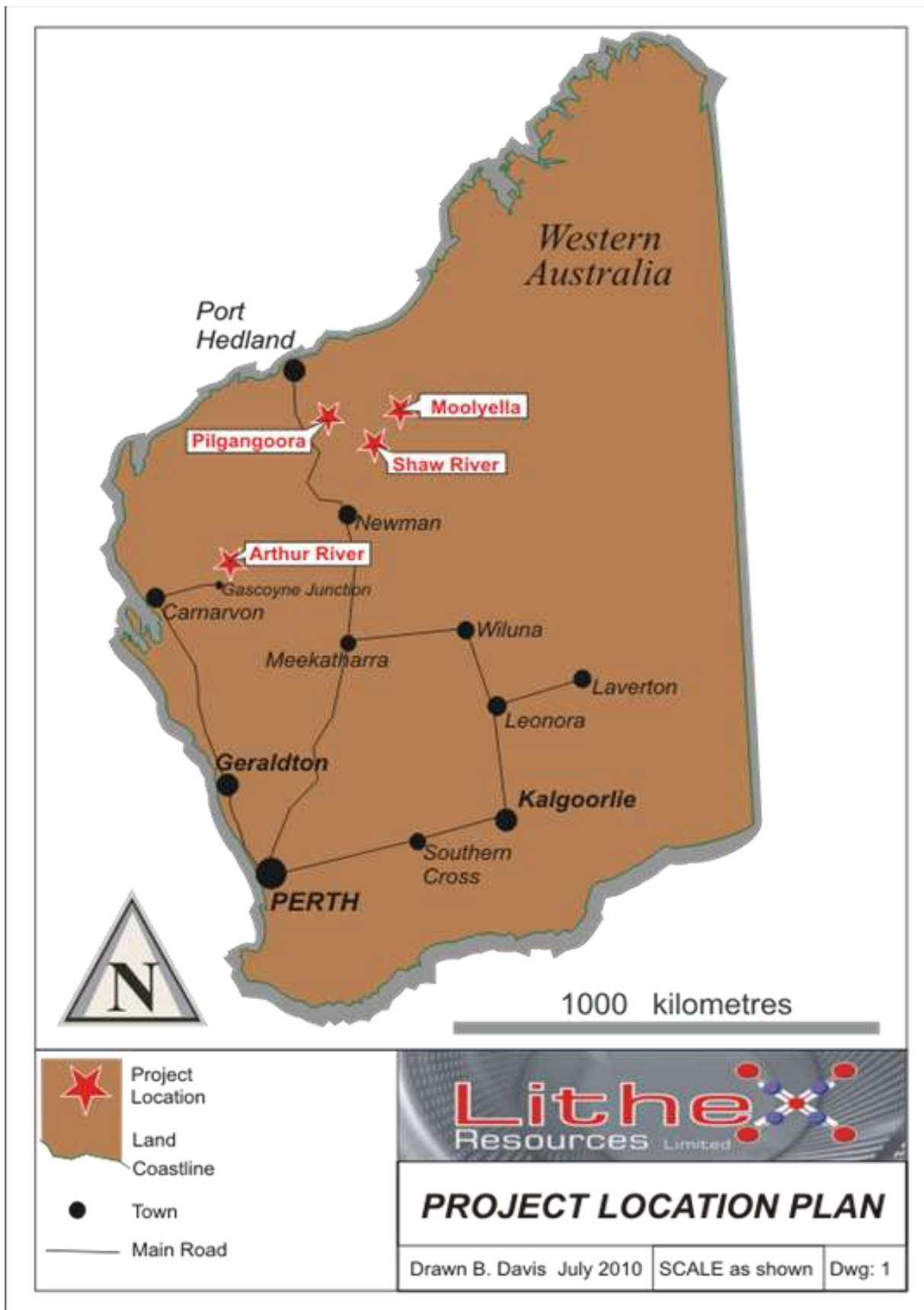


Figure 1 – location of Lithex's Tenements

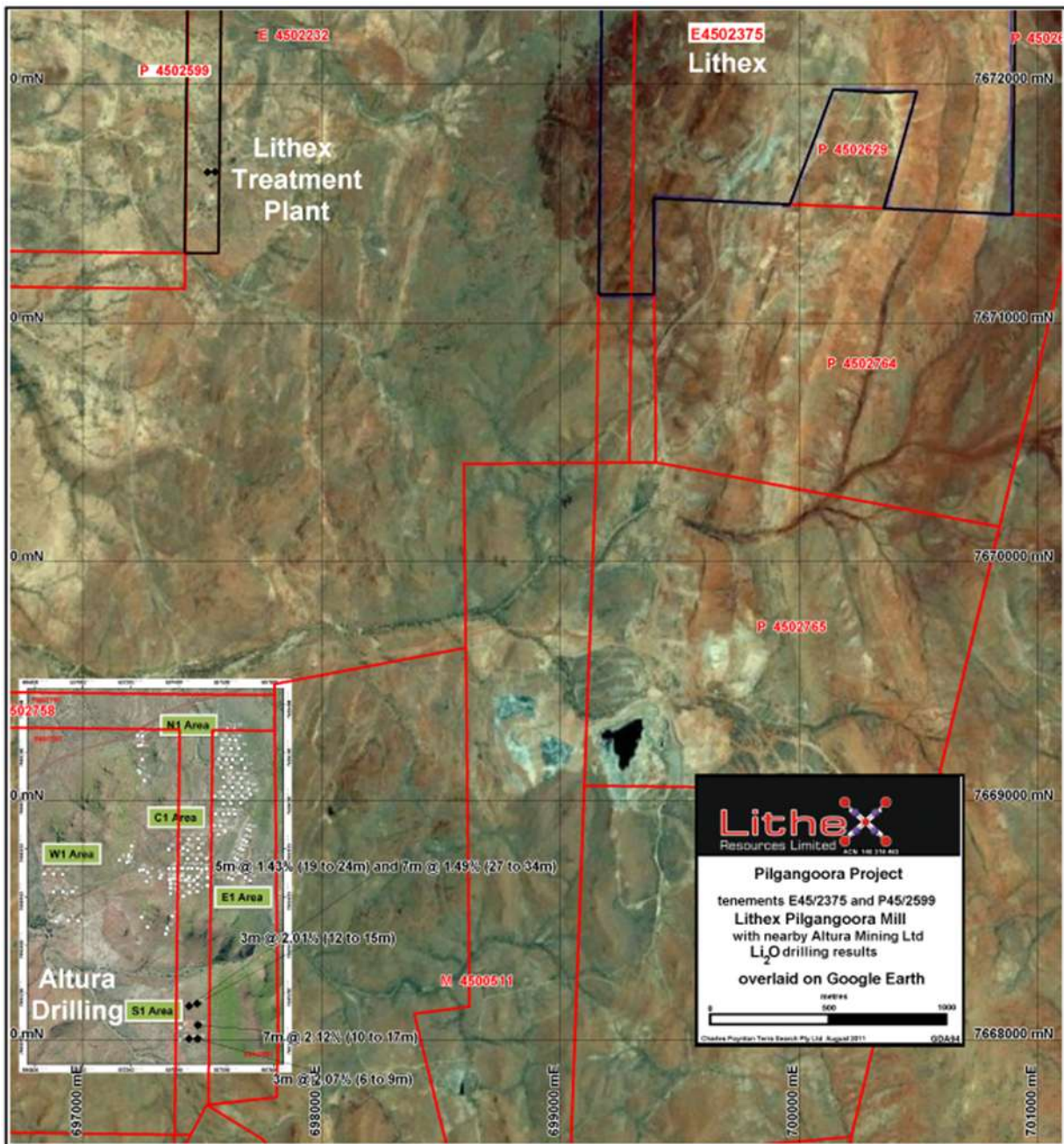


Figure 2 – Location of Altura's announced lithium deposit and proximity to Lithex's tenements

The operating loss after tax for the year ended 30 June 2011 for the Company was (\$525,423) 2010 (\$195,537).

Dividends

There were no dividends paid or declared by the company to members since the end of the previous financial year.

Environmental regulation

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Significant changes in the state of affairs

During the period there were no changes in the state of affairs of the Company other than those referred to elsewhere in this report of the financial statements or notes thereto.

Events subsequent to balance date

On the 12th August 2010, the Company announced to the ASX the initial results of rock chip and concentrates samples taken from its Moolyella Project which showed the strong presence of anomalous Rare Earth Oxide's. The Company also completed the transaction to acquire tenement P45/2599 in the Pilgangoora region.

Other than the matters above, there has not in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

Further information about likely developments in the operations of the Company in future years, the expected results of those operations, the strategies of the Company and its prospects for future financial years has not been included in this report.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current Directors of the Company, Mr Malcolm Carson, Mr Robert Mandanici and Mr Steven Crabbe against all liabilities to another person (other than the Company) that may arise from their position as Directors and Officers of the Company, except where the liability arises out of conduct involving a lack of good faith. This agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Non-audit services

The Company's auditor, Rothsay Chartered Accountants was appointed auditor of the Company in August 2010.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included in the Directors' report.

Details of the amounts paid to the auditor of the Company, Rothsay Chartered Accountants are set out below:

There was no non audit services provided during the year.

Statutory audit

- audit and review of financial reports	\$10,000
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Remuneration report - audited

Remuneration policies

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. These corporate governance policies are described more fully on pages 17 to 22 of the Directors' Report. Policies adopted by the Board reflect the relative stage of development of the Company, having regard for the size and structure of the organisation.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below Executive remuneration packages do not have guaranteed equity based components or performance based components.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

During the previous financial period, the Board of Directors completed a review of compensation and benefit structures.

Long-term incentives are provided as ordinary shares and options over ordinary shares of the Company. As set out below, shareholders in general meeting will be asked to approve specific grants of shares and options to Non-Executive and Executive Directors as a form of remuneration.

Consequences of performance on shareholders wealth

In view of the relatively early stage of development of the Company's business and remuneration policies, there is insufficient information to provide a meaningful quantitative analysis of the relationship between remuneration and Company performance.

Service agreements

The Company and Messrs Mandanici and Crabbe are parties to an Executive Service Agreement (**Executive Services Agreement**) dated 8th January 2010 and subsequently amended on the 8th December 2010, for the provision of executive services to the Company.

Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and termination provisions.

Mineral Resource Consultants Pty Ltd (in which Mr Carson is a Director) provides geological and exploration services to the Company at \$12,000 per month.

Non-Executive Directors

Non-Executive directors are paid up to \$45,000 per annum directors fees.

Director and Executive disclosures

Details of Directors and Company Executives (including Key Management Personnel)

Other than the Directors, no other person is concerned in, or takes part in, the management of the Company or has authority and responsibility for planning, directing and controlling the activities of the entity. As such, during the financial year, the Company did not have any person, other than Directors, that would meet the definition of "Key Management Personnel" for the purposes of AASB124 or "Company Executive or Relevant Company Executive" for the purposes of section 300A of the Corporations Act 2001 ("Act"). Remuneration details of the Company Secretary are disclosed as section 300A(1B)(a) of the Act defines a "Company Executive" to specifically include a secretary of the entity.

Directors and Key Management Personnel

Malcolm Carson	Non-Executive Chairperson
Robert Mandanici	Managing Director
Steven Crabbe	Executive Director
Neal Shoobert	Company Secretary

Key Management Personnel	Short term			Post employment		Share based	payments	Other	Total \$	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
	Salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Bonuses \$	Options \$	Shares \$	Bonuses \$			
Malcolm Carson											
2011	69,000	-	-	-	-	-	-	-	69,000	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
Robert Mandanici											
2011	159,600	-	-	14,364	-	-	-	-	173,964	-	-
2010	90,000	-	-	8,100	-	-	-	-	98,100	-	-
Steven Crabbe											
2011	55,000	-	-	4,950	-	-	-	-	59,950	-	-
2010	22,708	-	-	-	-	-	-	-	22,708	-	-
Neal Shoobert											
2011	24,000	-	-	-	-	61,000	52,500	-	137,500	-	44%
2010	-	-	-	-	-	-	-	-	-	-	-
Total Compensation											
2011	307,600	-	-	19,314	-	61,000	52,500	-	440,414		
2010	112,708	-	-	8,100	-	-	-	-	120,808		

Options and rights over equity instruments granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that were vested during the reporting period are as follows. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at the exercise price shown below. Terms and conditions for each grant

Key Management	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price per Share \$	First Exercise Date	Last Exercise Date
Malcolm Carson	-	-	-	-	-	-	-
Robert Mandanici	-	-	-	-	-	-	-
Steven Crabbe	-	-	-	-	-	-	-
Neal Shoobert	-	1,000,000	30/06/12	0.061	0.30	-	30/06/15
Total	-	1,000,000					

No options have been granted since the end of the financial year. The options were provided at no cost to the recipients.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Analysis of share-based payments granted as compensation

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

End of audited Remuneration Report.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the year ended 30 June 2011.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'Rob Mandanici', is enclosed in a thin black rectangular border.

Rob Mandanici
Managing Director
Dated this 7th day of September 2011

Corporate governance statement

The Directors of Lithex Resources Limited (“LTX” and the “Company”) have established a framework of corporate governance, which they review on a regular basis.

In order to promote investor confidence and to assist companies meet stakeholder expectations, the Australian Securities Exchange Corporate Governance Council developed and released corporate governance guidelines for Australian entities listed on the Australian Securities Exchange (“ASX”). The second edition, Corporate Governance Principles and Recommendations (“ASX Principles and Recommendations”) was released in August 2007.

The ASX Principles and Recommendations, in conjunction with the ASX Listing Rules, require companies to disclose whether their corporate governance practices follow the Guidelines on an “if not, why not” basis. This statement outlines the main corporate governance practices adopted by the Board, which comply with the ASX Principles and Recommendations, unless otherwise stated.

The roles of the Board and management

The role of the Board is to oversee and guide the management of the Company and its business with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of all stakeholders.

The Board is responsible for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board may delegate some powers and functions to the Managing Director for the day-to-day management of the Company. Powers and functions not delegated remain with the Board.

The key responsibilities and functions of the Board include the following:

- to develop, review and monitor the Company’s long-term business strategies and provide strategic direction to management;
- to ensure policies and procedures are in place to safeguard the Company’s assets and business and to enable the Company to act ethically and prudently;
- to develop and promote a system of corporate governance which ensures the Company is properly managed and controlled;
- to identify the Company’s principal risks and ensure that it has in place appropriate systems of risk management, internal control, reporting and compliance; and
- to monitor management’s performance and the Company’s financial results on a regular basis.

The Board’s role and the Company’s corporate governance practices are continually reviewed and improved as required.

The Company’s Executive Directors are implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board.

Board structure and independence

The Company recognises the importance of having a Board comprising Directors with an appropriate range of backgrounds, skills and experience to suit the Company’s current and future strategies and requirements. The composition of the board is determined by the application of the following principles:

- persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board’s deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter;
- the Chairman should ideally be independent, but in any case be Non-Executive and be elected by the Board based on his / her suitability for the position;

- all Non-Executive Directors are expected voluntarily to review their membership of the board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company; and

The Company has adopted a Policy on Assessing the Independence of Directors which is consistent with the guidelines detailed in the ASX Principles & Recommendations. The Company considers that the Board should have at least three Directors and will aim to have a majority of independent Directors (as required) but acknowledges that this may not be possible at all times due to the size of the Company.

The Company's Board Charter includes guidelines for assessing the materiality of matters which are summarised below:

- A balance sheet item is material if it has a value of more than 5% of pro-forma net assets or \$50,000, whichever is greater.
- A profit and loss item is material if it will have an impact on the current year operating results of 5% or more.
- Items are also considered material if they impact the reputation of the Company, they involve a breach of legislation or a potential breach of legislation, if they are outside the ordinary course of business, could affect the Company's rights to its assets, involve a contingent liability that would impact the balance sheet or profit and loss by 5% or more or if they have an effect on operations which is likely to result in a change in net income or dividend distribution of more than 5% upwards or downwards.
- A contract is considered material if it is one which is outside the ordinary course of business, includes exceptionally onerous provisions, any default of the contract may trigger the qualitative balance sheet or profit and loss materiality levels, is essential to the operations of the Company, contains or triggers change of control provisions or is between related parties.

The current Board includes one non-executive directors' Malcolm Carson, and two executive directors Robert Mandanici Steven Crabbe. As such, the Board does not currently have a majority of independent Directors. Malcolm Carson is Chairman of the Board. Robert Mandanici is the Managing Director.

A minimum of three Directors is required under the Company's Constitution. Any changes to the composition of the Board will be determined by the Board, subject to any applicable laws and the resolutions of Shareholders. 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. At each Annual General Meeting, one third of the Directors must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

Details of the background, experience and professional skills of each Director are set out on page 2 and 3 of this report and are also available on the Company's website.

Meetings of the Board

The Board intends to meet formally at least eight times a year and on other occasions, as required. The agenda for Board meetings is prepared by the Company Secretary. Standard items include the Managing Directors report, financial reports, strategic matters, risk management and governance and compliance matters. Executives are available to participate in Board discussions as required.

Board access to information and independent advice

All Directors have unrestricted access to all employees of the Company and, subject to the law and the terms of Deeds of Access, Insurance and Indemnity, access to all Company records.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Board Committee. The Company will reimburse the Director for the reasonable expense of obtaining that advice.

Conflicts of Interest

In accordance with the Corporations Act, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

Non-Executive Directors' Committee

Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate Non-Executive Directors' Committee, nomination committee and remuneration committee is appropriate, however the responsibilities of the committees are carried out by the Board of Directors.

Company code of conduct

The Board has adopted a Company Code of Conduct to promote ethical and responsible decision making by all employees (including Directors). The Code embraces the values of honesty, integrity, accountability and equality and to strive to enhance the reputation and performance of the Company. In summary the overriding principles are:

- all employees must conduct their duties honestly and in the best interests of the Company as a whole;
- treat other stakeholders fairly and without discrimination;
- respect confidentiality and do not misuse Company information or assets;
- conduct themselves in accordance with both the letter and spirit of the law; and
- maintain a safe working environment.

A breach of the Code is subject to disciplinary action which may include termination of employment.

Securities trading policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, Officers and employees. The Guidelines for Dealing in Securities Policy adopted by the Board requires that:

- Trading in Shares by directors, senior executives and employees is limited to specific periods, following the release of an annual report and half year results. Outside of these "window" periods, all directors, senior executives and employees, must follow the Guidelines for Dealing in Securities Policy and receive clearance for any proposed dealing in the Company's shares on the ASX prior to undertaking a transaction.
- A Director must receive clearance from the Chairman before he may buy or sell Shares. If the Chairman wishes to buy or sell Shares they must first obtain clearance from the Managing Director.
- Senior executives and employees must receive clearance from the Managing Director before they may buy or sell Shares.
- Directors, senior executives and employees must be aware of and observe their obligations under the Corporations Act not to buy or sell Shares if in possession of price sensitive non-public information and that they do not communicate price-sensitive non-public information to any person who is likely to buy or sell Shares or communicate such information to another party.

Audit & Compliance Committee

Given the present size of the Company and the Board, the Audit and Compliance Committee consists of all members of the board and any relevant matters are discussed at board level. The Board believes no efficiencies or other benefits could be gained by establishing a separate Audit and Compliance Committee.

The Company's auditor is Rothsay Chartered Accountants. They were appointed in August 2010. The auditor attends and is available to answer questions at the Company's annual general meeting.

The Company's Managing Director has provided a declaration in accordance with section 295A of the Corporations Act in writing to the Board that:

- the consolidated financial statements of the Company for the full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Continuous disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX and has adopted a comprehensive Information Policy.

The purpose of this Information Policy is to set out the procedure for:

- protecting confidential information from unauthorised disclosure;
- identifying material price sensitive information and reporting it to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

The Company's Information Policy is reviewed periodically and updated as required.

Communications with shareholders

The Company has a Shareholder Communications Policy that promotes effective communication with shareholders and encourages presentation of information to shareholders in a clear, concise and effective manner.

The Company will communicate information on its activities and financial performance through the issue of the annual and half year financial reports, reports on activities and cash flows and through other announcements released to the ASX.

The Company posts all reports, ASX announcements, media releases and copies of newspaper reports on the Company's website at <http://www.lithex.com.au/>. The website will contain an archive of ASX announcements and annual reports for at least the previous 3 years (in time). The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company will ensure that the annual general meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Company requires the attendance of the external auditor at the Company's annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Risk management

Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established various financial and operational reporting procedures and other internal control and compliance systems in this regard. These include the following:

- the Managing Director is required to report on the management of risk as a standing agenda item at each Board meeting. This involves that tabling of a Risk Register which is actively monitored and updated by management;
- delegated authority limits exist in respect of financial expenditure and other business activities;
- a comprehensive annual insurance programme is undertaken;
- internal controls exist to safeguard the Company's assets and ensure the integrity of business processes and reporting systems;

- annual budgeting and monthly reporting systems for business operations is undertaken which enable the monitoring of progress against performance targets and the evaluation of trends;
- appropriate due diligence procedures are undertaken for acquisitions and divestments; and
- disaster recovery procedures and crisis management systems exist.

The Company's Managing Director has provided a declaration that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. Additionally, the Managing Director has stated that the declaration is based on a sound system for risk management and internal compliance and control which implements the policies adopted by the Board and the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received assurance from the Managing Director that the Company's management of its material business risks are effective.

ASX LISTING RULE DISCLOSURE – EXCEPTION REPORTING

The following table discloses the extent to which LTX has followed the best practice recommendations set by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition).

Principle No	Best Practice Recommendation	Compliance	Reasons for Non-compliance
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives.	Key areas of responsibility have been segmented between Board and Managing Director responsibilities	
1.2	Companies should disclose the process for evaluating the performance of senior executives		The Company employs two executives being the Managing Director & Executive Director. The Company has established a nomination committee which is responsible for the evaluation of all executives and Board members
2.1	A majority of the Board should be independent directors.	The Board comprises three directors, one of whom is a non-executive.	The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's recent history and the scope and scale of the Company's operations. Persons have been selected as directors to bring specific skills and industry experience relevant to the Company.
2.2	The chair should be independent Director		The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's recent history and the scope and scale of the Company's operations.
2.3	The roles of Chair and Managing Director should not be exercised by the same person.	These positions are held by separate persons.	
2.4	The Board should establish a nomination committee.	The Board has established a separate nomination committee.	
4.2	The audit committee should be structured so that it has at least three members	The Company's Audit and Compliance Committee has two members.	Given the present size of the Company and the Board, the Audit and Compliance Committee has only two members. The Board believes no efficiencies or other benefits could be gained by establishing a larger Audit and Compliance Committee.
8.1	The Board should establish a remuneration committee.	The Board has not established a remuneration committee.	Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate remuneration committee is appropriate.



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF LITHEX RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Lithex Resources Limited (the Company) which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

**Audit opinion**

In our opinion the financial report of Lithex Resources Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Lithex Resources Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham Swan
Partner

Dated

7th September 2011

Financial statements

Statement of comprehensive income

for the year ended 30 June 2011

		The Company	
	Note	2011 \$	2010 \$
Revenue	2	38,566	895
General and administrative expenses		(47,903)	(65,619)
Depreciation		(890)	-
Corporate and legal expenses		(117,762)	
Directors fees		(100,000)	
Insurance expenses		(2,354)	
Employment expenses		(200,905)	
Occupancy expenses		(26,401)	
Exploration expenses		-	(3,082)
Travelling expenses		(6,776)	
Share based payments expense.		(61,000)	(127,731)
Loss before income tax		(525,423)	(195,537)
Income tax benefit	3	-	-
Loss after tax from continuing operations		(525,423)	(195,537)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(525,423)	(195,537)
Loss attributable to members of Lithex Resources Limited		(525,423)	(195,537)
Total comprehensive income attributable to members of Lithex Resources Limited		(525,423)	(195,537)
Basic earnings per share (cents per share)		(0.01)	-
Basic earnings per share from continuing operations (cents per share)		(0.01)	-
Diluted earnings per share (cents per share)		(0.001)	-
Diluted earnings per share from continuing operations (cents per share)		(0.001)	-

The accompanying notes form part of these financial statements

Statement of financial position

as at 30 June 2011

	Note	The Company	
		2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,632,397	153,110
Trade and other receivables	8	31,319	-
TOTAL CURRENT ASSETS		3,663,716	153,110
NON-CURRENT ASSETS			
Financial assets	9	20,000	-
Exploration and evaluation	10	1,859,598	40,000
Property, plant and equipment	11	22,959	-
TOTAL NON-CURRENT ASSETS		1,902,557	40,000
TOTAL ASSETS		5,566,273	193,110
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	103,485	22,663
Other Creditors	12	67,426	36,982
TOTAL CURRENT LIABILITIES		170,911	59,645
TOTAL LIABILITIES		170,911	59,645
NET ASSETS		5,395,362	133,465
EQUITY			
Issued capital	13	6,055,323	329,002
Share based payments reserve	14	61,000	-
Accumulated losses	15	(720,960)	(195,537)
TOTAL EQUITY		5,395,362	133,465

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2011

	Note	Share Capital Ordinary	Accumulated Losses	Share Based Payments Reserve	Total
		\$	\$	\$	\$
ENTITY					
Balance at Incorporation		-	-	-	-
Loss attributable to members of the entity		-	(195,537)	-	(195,537)
Total comprehensive Loss for the year		-	(195,537)	-	(195,537)
Transactions with owners in their capacity as owners					
Shares issued during the year		329,002	-	-	329,002
Balance at 30 June 2010		329,002	(195,537)	-	133,465
Balance at 1 July 2010		329,002	(195,537)	-	133,465
Loss attributable to members of the entity	15	-	(525,423)	-	(525,423)
Total comprehensive Loss for the year		-	(525,423)	-	(525,423)
Transactions with owners in their capacity as owners					
Issue of share capital	13	6,242,720	-	-	6,242,720
Transaction costs		(516,399)	-	-	(516,399)
Share Based Payments Reserve		-	-	61,000	61,000
Balance at 30 June 2011		6,055,323	(720,960)	61,000	5,395,362

Statement of cash flows

for the year ended 30 June 2011

		The Company	
	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	-
Payments to suppliers and employees		(437,455)	(134,268)
Interest received		14,926	895
Expenditure on mining assets		(219,598)	(42,519)
Other receipts		2,162	-
Net cash (from) operating activities	17	(639,965)	(175,892)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(23,849)	-
Other		(20,000)	-
Net cash (from) investing activities		(43,849)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,657,500	329,002
Payment of share issue costs		(494,399)	-
Net cash from by financing activities		4,163,101	-
Net (decrease) in cash held		3,479,287	153,110
Cash at beginning of financial year		153,110	-
Cash at end of financial year	7	\$3,632,397	\$153,110

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2011

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretation, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report covers the entity ("the Entity") of Lithex Resources Limited as an individual entity. Lithex Resources Limited (LTX) is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the Directors on 7 September 2011.

The financial report is presented in the Australian currency.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts presented are Australian dollars unless otherwise stated.

Accounting policies

a. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognized where the timing of the reversal of temporary differences can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on plant and equipment is provided on a prime cost basis over the estimated useful life of those assets.

The depreciation rates used for each class of depreciable assets for 2011 and 2010 are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

c. Financial Instruments.

Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

(i) Financial assets at fair value through profit and loss.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designed as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the statement of financial position..

(iii) Held- to maturity Investments

Held-to maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised as fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risk and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit and loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity Investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented in profit and loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in profit and loss as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit and loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note (23).

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is reclassified from equity and recognised in profit and loss as a reclassification adjustment. Impairment losses recognised in profit and loss on equity instruments classified as available-for-sale are not reversed through profit and loss.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit and loss.

d. Fair value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at balance sheet date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. The fair value of long-term debt instruments is determined using quoted market prices for similar instruments. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at balance sheet date. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

e. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (h)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

g. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

i. Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

j. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. Contributed equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

l. Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates — impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets including property, plant and equipment and identifiable intangible assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including levels of operating revenue and terminal values of assets. A material change to these key assumptions could result in a material adjustment to the carrying values of non-current assets.

No impairment has been recognised in respect of property, plant and equipment or exploration and evaluation assets for the year ended 30 June 2011.

m. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Lithex Resources Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

n. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

o. Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

p. Going concern basis of accounting

Notwithstanding the loss for the year, negative cash flow from operations and historical financial performance, the financial report has been prepared on a going concern basis. This assessment is based on a cash at bank balance at balance date of \$3,632,397 cash.

Note 2: Revenue

	The Company	
	2011 \$	2010 \$
Interest received	14,926	895
Other Revenue	23,640	-
	<u>38,566</u>	<u>895</u>

Note 3: Income tax

	The Company	
	2011 \$	2010 \$

a. Income tax benefit

Accounting loss	(525,423)	(195,537)
Prima facie tax benefit on the loss from ordinary activities before income tax at 30% (2010: 30%) differs from the income tax provided in the financial statements as follows:		
Tax benefit at 30%	(157,626)	(58,661)
Tax effect of non-deductible expense		-
Add:		
- business related capital costs amortised		-
- exploration expenditure capitalised		-
Less:		
Deferred tax asset not brought to account	157,626	58,661
Income tax benefit attributable to operating loss	-	-

b. Unrecognised deferred tax assets

Deferred tax assets have not been recognised
In respect of the following item:

Tax losses	157,626	58,661
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The deductible tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Note 4: Key management personnel disclosures

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key management person	Position
Malcolm Carson	Non-Executive Chairman
Robert Mandanici	Managing Director
Steven Crabbe	Executive Director

The key management personnel remuneration has been included in the remuneration report section of the director's report.

Options and rights over equity instruments granted as compensation

The movement during the reporting period in the number of options over ordinary shares in LTX Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2011

	Held at 1 July 2010	Granted as compensation	Lapsed	Held at 30 June 2011	Vested during the year	Vested and exercisable at 30 June 2011
Directors						
Malcolm Carson	-	-	-	-	-	-
Robert Mandanici	-	-	-	-	-	-
Steven Crabbe	500,000	-	-	500,000	-	-
Neal Shoobert	-	1,000,000	-	1,000,000	-	-

2010

	Held at 1 July 2009	Granted as compensation	Lapsed	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Directors						
Malcolm Carson	-	-	-	-	-	-
Robert Mandanici	-	-	-	-	-	-
Steven Crabbe	-	-	-	500,000	-	-
Neal Shoobert	-	-	-	-	-	-

Movements in shares

The movement during the reporting period in the number of ordinary shares in LTX Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2011

	Held at 1 July 2010	Acquired	Other Changes	Held at 30 June 2011	Vested during the year	Vested and exercisable at 30 June 2011
Directors						
Malcolm Carson	500,000	-	-	500,000	-	-
Robert Mandanici	4,000,000	170,000	(2,010,000)	2,160,000	-	-
Steven Crabbe	4,000,000	10,000	(2,060,000)	1,950,000	-	-
Neal Shoobert	-	350,000	-	350,000	-	-

2010

	Held at 1 July 2009	Acquired	Disposed	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Directors						
Malcolm Carson	-	500,000	-	500,000	-	-
Robert Mandanici	-	4,000,000	-	4,000,000	-	-
Steven Crabbe	-	4,000,000	-	4,000,000	-	-

Note 5: Auditor's remuneration

	Entity	
	2011 \$	2010 \$

Remuneration of the auditor (Rothsay Chartered Accountants) of the entity for:

An audit or review of the financial report of the Company

-	Current year	10,000	5,000
		10,000	5,000

Note 6: Earnings per share

	The Company	
	2011 cents	2010 cents
Basic Earnings per Share	\$0.012	\$0.011
a. Basic loss per share (cents)		
Loss attributable to ordinary shareholders	(525,423)	(195,537)
Earnings used to calculate basic EPS	(525,423)	(195,537)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	43,980,010	17,360,010
Diluted Earnings per Share		
a. Basic loss per share (cents)	\$0.001	\$0.01
Loss attributable to ordinary shareholders	(525,423)	(195,537)
Earnings used to calculate diluted EPS	(525,423)	(195,537)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	56,610,010	19,960,010

Note 7: Cash and cash equivalents

	The Company	
	2011 \$	2010 \$
CURRENT		
Cash at bank	3,632,397	153,110

Note 8: Trade and other receivables

	The Company	
	2011 \$	2010 \$
CURRENT		
Prepaid Insurance	9,841	-
Other debtors	21,478	-
	31,319	-

Note 9: Other non-current assets

	The Company	
	2011 \$	2010 \$
NON-CURRENT		
Rental Bond	20,000	-
	20,000	-

Note 10: Exploration and evaluation

	The Company	
	2011 \$	2010 \$
NON-CURRENT		
Balance as 1 July 2010	40,000	
Mining permits, tenement acquisition and administration and geologist expenses	1,819,598	40,000
Balance as 30 June 2011	1,859,598	40,000
Exploration expenses written off during the year	-	-

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the Company's right to tenure of the areas of interest;
- the results of future exploration, and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Note 11: Property, plant and equipment

	The Company	
	2011 \$	2010 \$
NON-CURRENT		
Computer Equipment		
At cost	21,918	-
Accumulated depreciation	858	-
	21,060	-
Furniture and Fittings		
At cost	1,931	-
Accumulated depreciation	32	-
	1,899	-
Total written down amount	22,959	-

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2011	Furniture & Fittings	Computer Equipment	Total
	\$	\$	\$

Company:

Carrying amount 1 July 2010	-	-	-
Additions	1,931	21,918	23,849
Disposals	-	-	-
Depreciation expense	(32)	(855)	(890)
Impairment loss			
Carrying amount 30 June 2011	1,899	21,060	22,959

2010	Furniture & Fittings	Computer Equipment	Total
	\$	\$	\$

Company:

Carrying amount 1 July 2009	-	-	-
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	-	-
Impairment loss	-	-	-
Carrying amount year ended 30 June 2010	-	-	-

Note 12: Trade and other payables

	The Company	
	2011 \$	2010 \$
CURRENT		
Unsecured liabilities		
Trade payables	103,485	22,663
Other payables and accrued expenses	67,426	36,982
	<u>170,911</u>	<u>59,645</u>

Note 13: Issued capital

	The Company	
	2011 \$	2010 \$
43,980,010 (2010: 17,360,010) fully paid ordinary shares	6,055,323	329,002

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

	2011 No.	2011 \$.	2010 No.	2010 \$
a. Ordinary shares				
At the beginning of reporting period	17,360,010	329,002	-	-
Shares issued during the year				
Shares issued for cash				
- At incorporation			10	2
- Issued to Promoters at \$0.01			11,000,000	11,000
- Issued to seed investors at \$0.05	770,000	38,500	6,360,000	318,000
- Forfeited shares	(6,280,000)	(6,280)		
- Issued to investors at \$0.10	780,000	78,000		
- Issued to investors at \$0.16	3,000,000	480,000	-	-
- Issued as per prospectus	20,000,000	4,000,000	-	-
- Issued as per asset acquisition	8,000,000	1,600,000	-	-
- Issued as share employee incentive	350,000	52,500		
	43,980,010	6,571,722		
Less Cost of capital	-	516,399	-	-
At reporting date	43,980,010	6,055,323	17,360,010	329,002

Terms and Conditions of Issued CapitalOrdinary Shares

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

b. Options on issue

The following reconciles the outstanding share options at the beginning and year end of the financial year:

	2011 No.	2010 No.
Description		
At the beginning of reporting period	2,600,000	-
Granted during the financial year	10,030,000	2,600,000
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Expired during the financial year	-	-
Balance at the end of the financial year	12,630,000	2,600,000
Exercisable at the end of the financial year	12,630,000	2,600,000

Options

Each of the options entitles the holder to one fully paid ordinary share in the Company. The terms of the options on issue are:

- 1,000,000 exercisable at \$0.20 before 31 March 2015
- 3,500,000 exercisable at \$0.20 before 9 May 2016
- 7,130,000 exercisable at \$0.20 before 30 June 2015
- 1,000,000 exercisable at \$0.30 before 30 June 2015

Note 14: Share based payments reserve

Share based payments reserve

The share based payments reserve records items recognised as expenses on share based payments.

	The Company	
	2011 \$	2010 \$
Balance as 1 July 2010	-	-
Equity settled share based payments	61,000	-
Balance as at 30 June 2011	61,000	-

Note 15: Accumulated losses

	The Company	
	2011 \$	2010 \$
Balance 1 July	(195,537)	-
Loss for the year	(525,423)	(195,537)
Balance 30 June	(720,960)	(195,537)

Note 16: Commitments for expenditure

	The Company	
	2011 \$	2010 \$
Exploration and evaluation		
- not later than 1 year	1,600,000	-
- later than 1 year but no later than 5 years	1,000,000	-
Remuneration		
- not later than 1 year	350,000	135,000
-		
	350,000	135,000

Note 17: Cash Flow Information

		The Company	
		2011	2010
		\$	\$
a.	Reconciliation of cash flows used in operations with loss after income tax		
	Loss after income tax	(525,423)	(195,537)
	Non-cash flows in loss		
	Depreciation	890	-
	Share based employee incentive	52,500	-
	Changes in assets and liabilities,		
	(Increase)/decrease in trade and other receivables	(21,478)	-
	Increase in prepayments	(9,841)	-
	(Increase) in other assets	(20,000)	-
	(Increase) in Exploration	(219,598)	(40,000)
	Increase in GST receivable	(22,564)	-
	Increase in trade payables and accruals	125,550	59,645
	Net cash used in operating activities	(639,965)	(175,892)

Note 18: Related parties transactions

Identity of related parties

The Company has related party relationships with its key management personnel.

Mineral Resource Consultants Pty Ltd (in which Mr Carson is a Director) provides geological and exploration services to the Company at \$12,000 per month.

Note 19: Financial instruments

a. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main risk the Company is exposed to through its financial instruments is interest rate risk.

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result in changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities refer Note 19(b).

Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies.

Credit risk

The Company does not have any material credit or other risk exposure to any single receivable or Company of receivables or payables under financial instruments entered into by the Company.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves or unutilised borrowings are maintained.

Price risk

The Company is not exposed to any material commodity price risk.

b. Financial Instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet

Company	Weighted average effective interest rate		Floating interest rate		Within one year		1 to 5 years		Non-interest bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Financial assets:

Cash and cash equivalents	2.5%		3,632,397	153,110	-	-	-	-	-	-	3,632,397	153,110
Trade and other receivables	-	-	-	-	-	-	-	-	31,319	-	31,319	-
Total financial assets	-	-	3,632,397	153,110	-	-	-	-	31,319	-	3,663,716	153,110

Financial liabilities:

Trade payables	-	-	-	-	-	-	-	-	103,485	59,645	103,485	59,645
Total financial liabilities	-	-	-	-	-	-	-	-	103,485	59,645	103,485	59,645

Note 20: Change in accounting standards

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013). These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
 - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).
This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.
 - AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).
These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.
 - AASB 2009–8: Amendments to Australian Accounting Standards — Company Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).
These amendments clarify the accounting for Company cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements

previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).
These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.
- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).
This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011). This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

Note 21: Company details

The registered office of the Company and principal place of business is:

Lithex Resources Limited
75 King Street
Perth, WA 6000

Note 22: Segment reporting

The Company consists of one business segment operating predominately in Australia and investing in mineral exploration and identification of potential mining assets for acquisition and development.

Note 23: Subsequent events

On the 12th August 2010, the Company announced to the ASX the initial results of rock chip and concentrates samples taken from its Moolyella Project which showed the strong presence of anomalous Rare Earth Oxide's. The Company also completed the transaction to acquire tenement P45/2599 in the Pilgangoora region.

Other than the matters above, there has not in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Directors' declaration

The directors of the company declare that:

1. in the directors' opinion, the financial statements and accompanying notes set out on pages 24 to 49 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date;
2. note 1 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
3. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
4. the remuneration disclosures included in pages 12 to 15 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2011, comply with section 300A of the *Corporations Act 2001*; and
5. the directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

This declaration is made in accordance with a resolution of the Board of Directors.



Rob Mandanici
Managing Director
Dated this 7th day of September 2011



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Lithex Resources Ltd
PO Box 7044
Cloisters Square
Perth WA 6850

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2011 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 7th September 2011



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

ADDITIONAL INFORMATION – AS AT 7 SEPTEMBER 2011**(a) Distribution schedule and number of holders of equity securities as at 7 September 2011**

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total	
Fully Paid Ordinary Shares (LTX)	3		9	151	241	57	461
Unlisted Options – 20c 31/03/15	-		-	-	-	1	1
Unlisted Options – 20c 09/05/16	-		-	-	-	1	1
Unlisted Options – 20c 30/06/15	-		-	-	11	24	35
Unlisted Options – 30c 30/06/15	-		-	-	-	1	1

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 7 September 2011 is Nil

(b) 20 largest holders of quoted equity securities as at 7 September 2011

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LTX) as at 7 September 2011 are:

RANK	NAME	NUMBER	PERCENTAGE
1	KING FAME GROUP LIMITED	2,939,200	6.67 %
2	DUKETON CONSOLIDATED PTY LTD	2,338,350	5.30 %
3	HAZELWOOD RESOURCES LIMITED	2,000,000	4.54 %
4	ROBERT PAUL MANDANICI	1,970,000	4.47 %
5	SJ CRUSHING PTY LTD	1,900,000	4.31 %
6	MONTEZUMA MINING COMPANY LIMITED	1,525,000	3.46 %
7	JORDELES PTY LTD	1,250,000	2.84 %
8	ABELES PTY LTD	1,250,000	2.84 %
9	ZACELES PTY LTD	1,250,000	2.84 %
10	REBELES PTY LTD	1,250,000	2.84 %
11	JML RESOURCES LIMITED	1,220,000	2.77 %
12	ABN AMRO CLEARING SYDNEY	1,073,130	2.43 %
13	SOUTH BOULDER MINES LIMITED	1,016,000	2.31 %
14	WEN GAN CHEN	859,869	1.95 %
15	MANDIES MEATS PTY LTD	500,000	1.13 %
16	MALCOLM CARSON	500,000	1.13 %
17	NAPHTALI BOLLAG	500,000	1.13 %
18	CONSORTIUM COMMUNICATIONS	500,000	1.13 %
19	ROBERT JOHN & D L CARTER	412,500	0.94 %
20	ANNETTE CRABBE	400,000	0.91 %
	TOTAL	24,654,699	55.94 %
	REMAINDER	19,425,311	44.06 %
	GRAND TOTAL	44,080,010	100.00 %

Stock Exchange Listing – Listing has been granted for all ordinary fully paid shares of the Company on issue on ASX Limited.

(c) Substantial shareholders

Substantial shareholders in Lithex Resources Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices given to the Company are listed below:

	No. Shares Held	% of Issued Capital
Abeles Pty Ltd and associated companies	5,000,000	11.36%
King Game Group Limited	2,939,200	6.67%
Robert Mandanici	2,205,000	5.00%

(d) Unquoted Securities

The number of unquoted securities on issue as at 7 September 2011:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options	1,000,000	20c	31/03/15
Unquoted Options	3,500,000	20c	09/05/16
Unquoted Options	1,000,000	30c	30/06/15
Unquoted Options	7,130,000	20c	30/06/15

(e) There are no persons holding more than 20% of a given class of unquoted securities as at 7 September 2011

(f) Restricted Securities as at 7 September 2011

There are 15,087,500 restricted securities on under ASX imposed escrow.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unlisted options have no voting rights.