



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

Lithex Resources Limited (ASX: LTX) is an Australian exploration company focused on developing its tin, tantalum, lithium & rare earth metal projects in the East Pilbara & Gascoyne regions of Western Australia.

As at release date of
27 October 2011:

Issued Shares: 44.08M

Options: 13.23M @
\$0.20 & 1M @ \$0.30C

Share Price: \$0.155

Market Cap: \$6.83M

Cash: \$3.1M

Debt: Nil

For further information
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Summary & Highlights

- > **Completion of aggressive Stage 1 & commencement of the Stage 2 Exploration Program at Moolyella**
- > **Identification of numerous tin & tantalum targets at Moolyella**
- > **Strong presence of anomalous rare earth oxides & lithium at Moolyella**
- > **Completion of the transaction to acquire additional ground at Pilgangoora**
- > **The company is 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**

Overview of Lithex's Projects

Lithex's projects are located in the East Pilbara & Gascoyne regions of Western Australia and total approximately 775km² in area. The East Pilbara projects are well placed with the majority of areas accessible via sealed road and within close proximity to Marble Bar & Port Hedland. Arthur River is accessible via road north east of Gascoyne Junction - see **Figure 1**



Figure 1 – location of Lithex's Tenements

Moolyella Project

The Moolyella Project is located approximately 23 Kilometers east-north-east of the township of Marble Bar and is accessible by sealed road.

The Moolyella Project consists of granted Exploration Licenses E45/3424 and E45/3172 (90%) along with Mining Lease Application M45/1081 (90%), Exploration License Application E45/3873 (100%) and Prospecting Licenses P45/2813, P45/2814 & P45/2815 (100%).

Pegmatite Gully

During the quarter 25 rock chips and 51 panned concentrate samples were taken across an area known as Pegmatite Gully. This area had been subject to historical diamond drilling in 1981.

The 25 rock chips results over an area of 2km² (see **Figure 2** below) and taken near the old diamond drill holes, demonstrate persistent anomalous Rare Mineral results for the majority of the Lanthanides including, Cerium (Ce), Dysprosium (Dy), Erbium (Er), Europium (Eu), Gadolinium (Gd), Holmium (Ho), Lanthanum (La), Lutetium (Lu), Neodymium (Nd), Praseodymium (Pr), Samarium (Sm), Terbium (Tb), Thulium (Tm) and Ytterbium (Yb).

In addition the rock chip samples showed anomalous results for the Rare Minerals including, Cesium (Cs), Gallium (Ga), Germanium (Ge), Hafnium (Hf), Lithium (Li), Niobium (Nb), Rubidium (Rb), Strontium (Sr), Tantalum (Ta) and Yttrium (Y).

The 51 panned concentrate chips results over an area of ~30km² (see **Figure 2** below) demonstrates persistent anomalous results for a suite of Rare Earth Minerals to those returned for the rock chips samples.

Examples of these anomalous results applied to the Lithium (Li). Of the 25 rock chip samples, 24 of them were above the anomalous threshold of 50 g/t and ranged from 21 g/t to a high of 4920 g/t – **0.49% Lithium**.

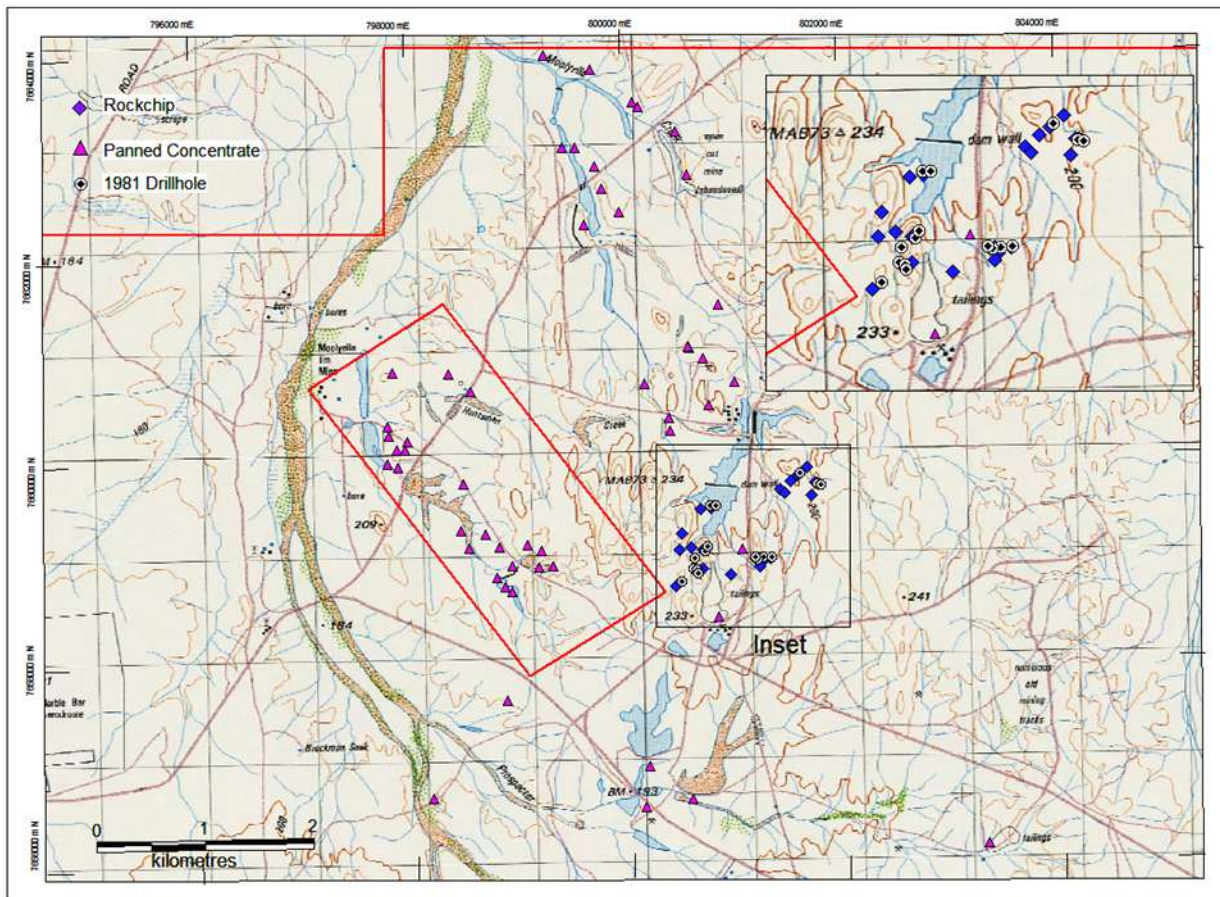


Figure 2 Moolyella Project – location of Lithex’s rock chip & panned concentrate samples along with historical drilling.

Eluvial Gully

During the quarter, radiometric evaluation was undertaken with the focus being at the area defined as Eluvial Gully. Eluvial Gully is towards the east of tenement E45/3172 – see **Figure 3** & **Figure 4** below. The radiometric image in **Figure 3** shows the proximity of Eluvial Gully in **Figure 4**. This area is situated between the granite intrusive (tin granites) which appear white in the image.

The focus has been on hard-rock exploration for tin and tantalum and other rare metals and the company will continue to direct its focus towards drilling the Eluvial Gully area and the margins of the Moolyella Ademellite. In these margins, tin, tantalum and other rare metals can accumulate in the pegmatite veins which are common in the area.

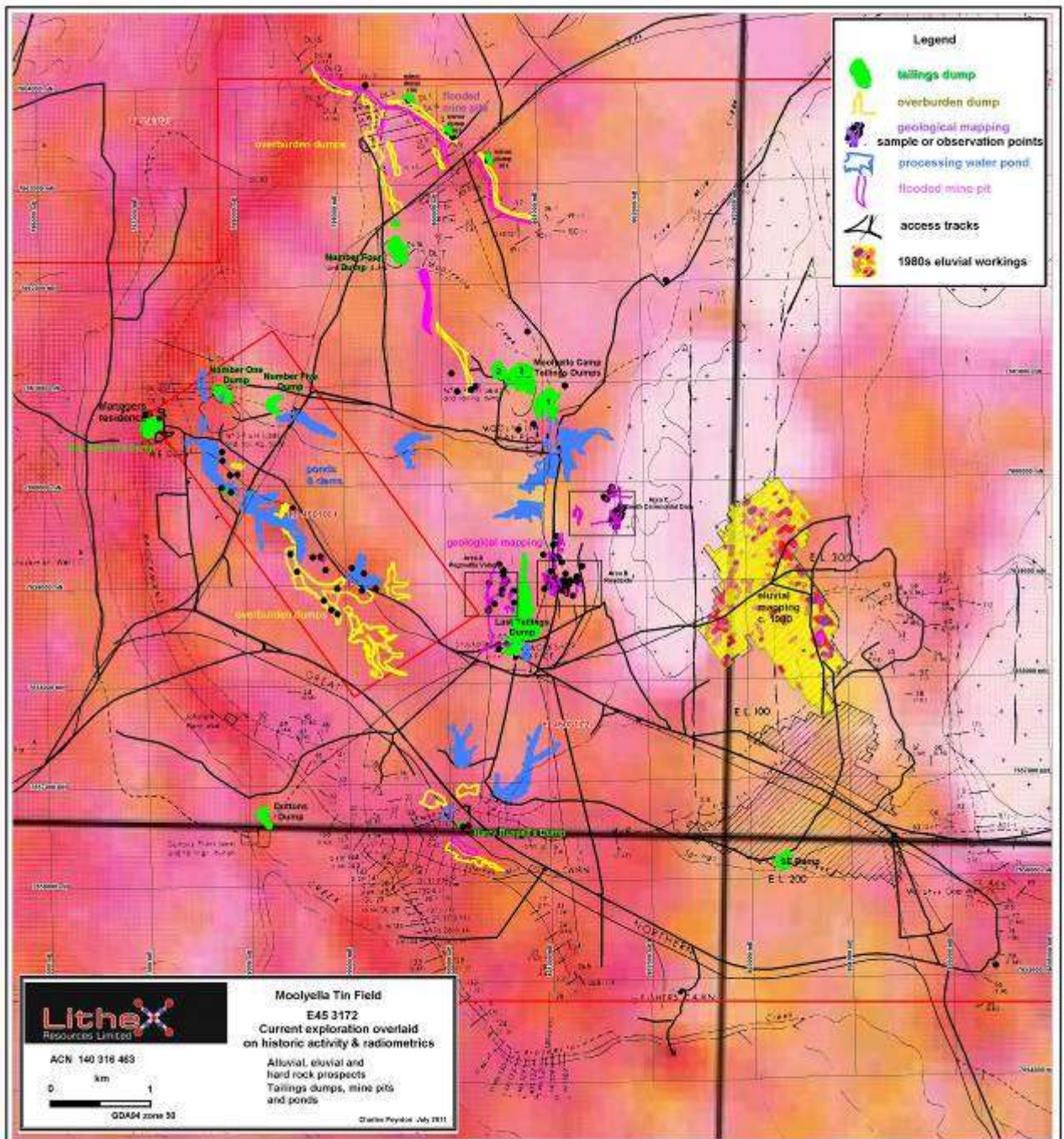


Figure 3 – Moolyella Radiometrics, Eluvial Gully & Granite Intrusives

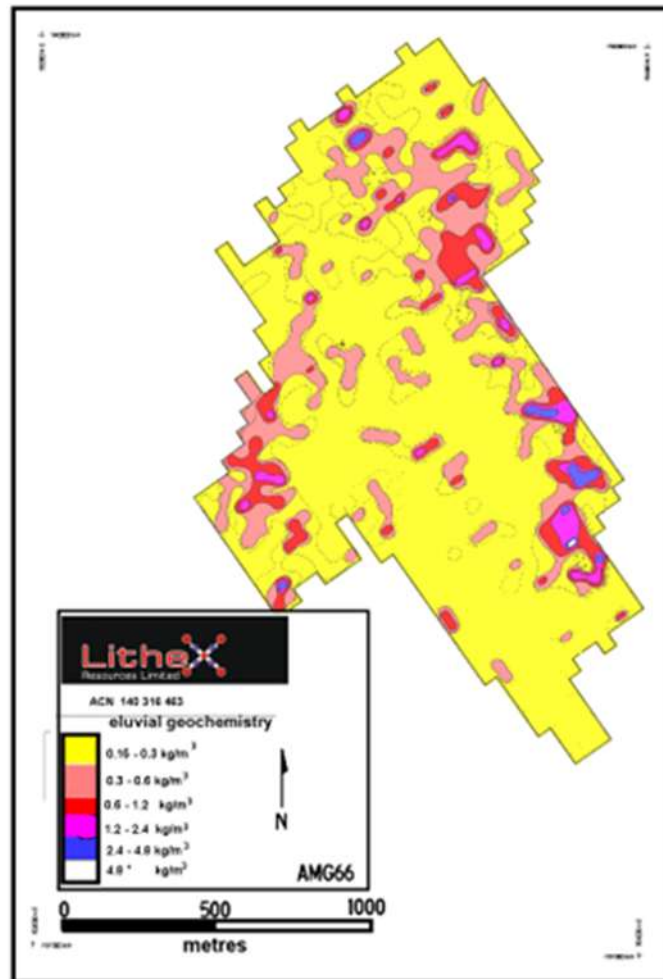


Figure 4 – Eluvial Gully: Historical Eluvial operations showing concentrations in kg/cubic metre heavy minerals extracted.



Figure 5 – Eluvial Gully, Historical Workings & Moolyella Adamellite

Tailings & Overburden Dumps

During the quarter, Lithex continued its evaluation and sampling of the vast tailings and overburden dumps from previous operations.

The sampling results had shown the persistent presence of tin and tantalum in the dumps in the ratio of 100 parts tin to 10 parts tantalum, which is consistent with historical records.

All together 17 by 20kg samples were collected from the dumps.

These samples were trucked to Nagrom Laboratories in Perth and a representative split of the gross sample taken. The first sets of results are from an analysis of the split of the total samples.

The results ranged from a low for Tin of 10 g/t to a high of 1,780 g/t with an average of 245 g/t and tantalum results ranged from a low of 10 g/t to a high of 120 g/t for an average of 56 g/t, as announced on 12 August 2011.

The Target for the Project is 2 to 5Mt with an average grade, greater than 300g/t of Tin equivalent (tin and tantalum).

Lithex is very encouraged with the results of this preliminary work and is looking forward to the results of the concentrates derived from these bulk samples along with progressing towards utilizing an Auger Drill Rig to evaluate and further define the volume of material present.

Pilgangoora Project

The Pilgangoora Project is located approximately 120 Kilometers south-east of Port Hedland via the Great Northern Highway.

The Pilgangoora Project consists of Exploration Licenses E45/2375* (90%) and E45/3373 (90%) along with Prospecting License P45/2599 (100%).

During the quarter, Lithex completed the transaction to acquire lease P45/2599 at Pilgangoora. Neighboring company, 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 lease as illustrated in **Figure 6**.

Pilgangoora is a highly mineralized region of the Pilbara with a strong history of commercial pegmatite hosting tantalum and its associated host, the lithium feldspar, spodumene. This acquisition adds to the company's increasing portfolio within the East Pilbara.

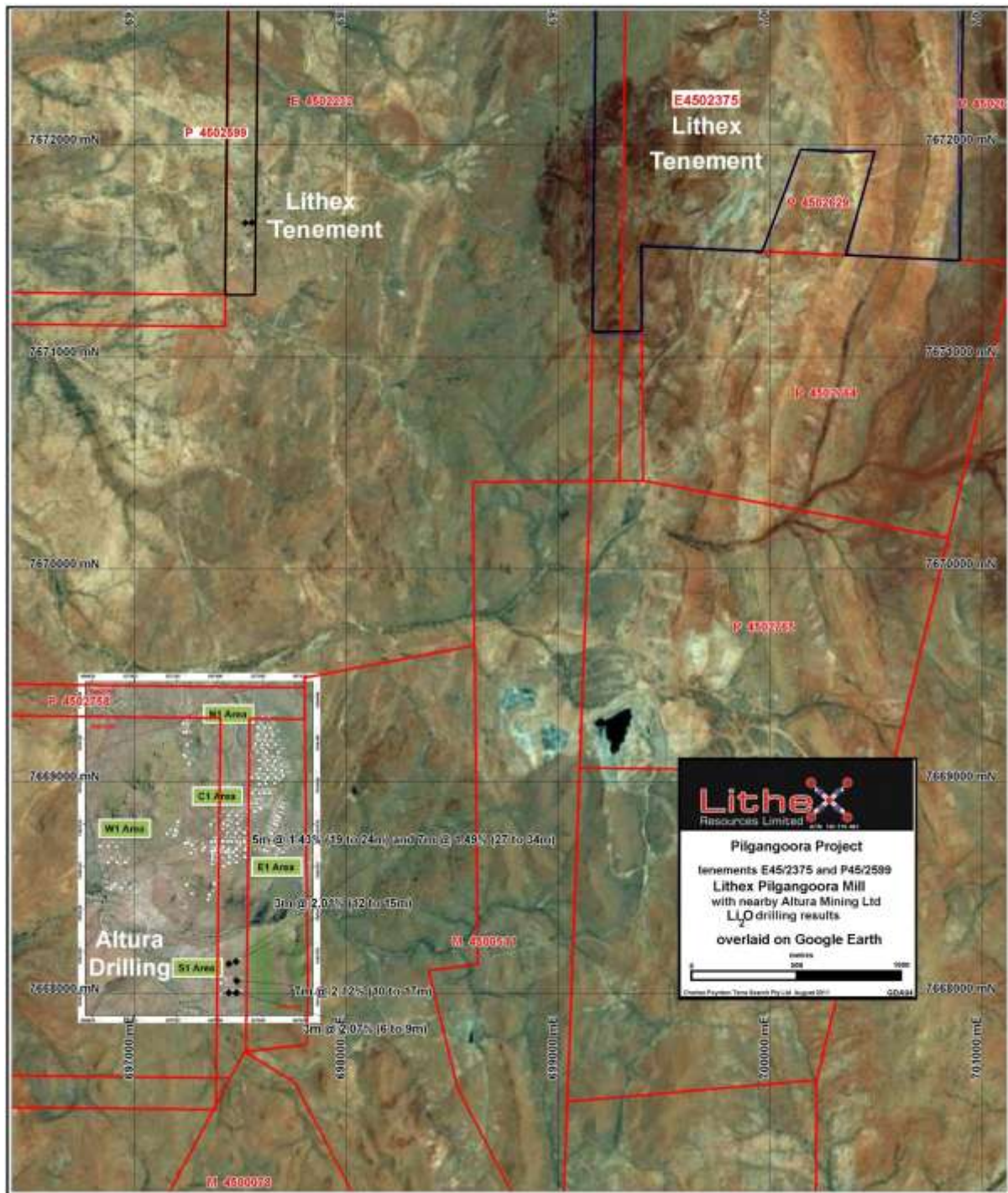


Figure 6 – location of Altura's announced lithium deposit and proximity to Lithex's tenements.

*E45/2375: Lithex has a 90% interest in the tin, tantalum & lithium rights for this tenement.

Additional Information

The company is also progressing with its exploration activities at the Shaw River Project (90%) and Arthur River Project (100%). Data compilation & radiometric evaluation is currently underway and the company intends to continue on with further on-ground exploration activities in the next quarter.

ENDS

For further information please contact the company on +618 9200 5885 or by email:

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Forward Looking Statement

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

Competent Persons Statement

Mr Malcolm Carson has compiled the information in this report from exploration results supplied to Lithex Resources Ltd. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposit under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Carson is a Member of the AusIMM and a Director of Lithex Resources Ltd. Mr Carson consents to the inclusion in the report the matters based on the information in which it appears.