



News Release 2013-5

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LITHIC CLOSSES \$180,000 PRIVATE PLACEMENT

Lithic Resources Ltd. (LTH-TSX Venture) (the “Company”) is pleased to announce that it has closed the non-brokered private placement by a small group of insiders which was announced on October 30, 2013. The placement consists of 3 million common shares at a price of six cents per share for gross proceeds of \$180,000. There is no commission payable.

Closing of the financing is subject to all regulatory approvals, including the final approval of the TSX Venture Exchange. The securities issued in connection with the financing will bear a four-month restriction on resale ending on March 12, 2014. Proceeds of the placement will be used for completion of an ongoing Preliminary Economic Assessment of the West Desert Project and general corporate purposes.

Kerry Curtis, Louis Montpellier and Wayne Hubert, all directors of the Company, are subscribers to the Private Placement and are each a “related party” as such term is defined in Multilateral Instrument 61-101 (“MI 61-101”) and TSX Venture Exchange (“TSXV”) Policy 5.9. The Company is exempt from the requirements of MI 61-101 and TSXV Policy 5.9, which would otherwise require the Company to obtain a valuation and minority approval, as the value of the Private Placement being subscribed for by related parties is less than 25% of the Company’s current market capitalization. The subscriptions of Messrs. Curtis, Montpellier and Hubert were approved by the directors of the Company who did not subscribe to the Private Placement. The subscription agreements entered into by the related parties in respect of the Private Placement contained standard terms, including representations and warranties typical for transactions of this nature.

About the West Desert Project

The 100% owned and road-accessible West Desert project is located approximately 160 kilometres southwest of Salt Lake City, Utah. It is approximately 75 kilometres from a railhead and is serviced by grid electricity. The project comprises a large, undeveloped sulphide zinc-copper-indium resource along with associated near surface oxide resources based on approximately 40,000 metres of diamond drilling. Mineralization is open in several directions with good potential for expansion and very good potential for the discovery of new zones beyond these extensions. The Project is fully permitted and bonded for future exploration.

Metallurgical studies completed as part of a 2010 Preliminary Economic Assessment (“PEA”) indicated good recoveries from sulphide mineralization to produce separate zinc and copper concentrates using conventional flotation processing (Aug. 5, 2010 news release). The “clean” concentrates (absent of mercury, arsenic, selenium, iron sulphide) contained important levels of gold, silver and indium and produced significant byproduct iron in the form of magnetite.

As announced on January 10, 2013, the Company commissioned a new PEA to assess a number of factors and opportunities, including:

- a. Improved base and precious metal prices and lower smelter fees since 2010.
- b. Potential optimization of underground mining operations and refinement of capital requirements.
- c. Potential open pit mining of near surface oxide resources.
- d. Potential revenue capture from significant amounts of by-product iron generated from the processing of sulphide resources.

Additional metallurgical test work was completed earlier this year (May 21, 2013 news release) and showed that:

- a. A marketable, high-grade iron (magnetite) concentrate grading 63% iron with low levels of deleterious elements can potentially be produced with a traditional process flow sheet. The recovery of iron in the process test work was very high at levels above 95%.
- b. The iron up-grading process is effective at removing copper and zinc and insignificant levels of these metals remained in the iron concentrate. It is expected that copper and zinc along with any associated silver, gold and indium will be recovered separately into flotation concentrates.

In addition to iron (magnetite) production derived from the processing of sulphide resources, large volumes of massive magnetite with varying grades of zinc and copper are present within and around the existing resource. Although no formal resource estimate including iron values has been made to date, this mineralization is being studied for its potential to add to the Project resource base.

The technical information in this news release was reviewed by C.F. Staargaard, P.Geo., a Qualified Person as defined in NI43-101. Technical reports concerning the West Desert project may be found at www.lithicresources.com or on www.sedar.com.

LITHIC RESOURCES LTD.

“C.F. Staargaard”

C.F. Staargaard
President and CEO
Phone: (604) 687-7211
Website: www.lithicresources.com

For further information contact:

Joyce Musial, Corporate Communications
Phone: (604) 317-2728 Email: joyce@lithicresources.com

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