



News Release 2012-3

Listed on the TSX Venture Exchange: LTH

July 31, 2012

LITHIC CLOSSES \$750,000 PRIVATE PLACEMENT AND APPOINTS NEW DIRECTORS

Lithic Resources Ltd. (LTH-TSX Venture) (the “Company”) is pleased to announce that on July 30, 2012, it closed the non-brokered private placement (the “Private Placement”) previously announced on July 19, 2012 and increased on July 23, 2012, consisting of 15 million common shares at a price of 5 cents per share for gross proceeds of \$750,000. The majority of the placement was taken by Geologic Resource Partners LLP (“GRP”) which became a new insider of the Company and retains the right for a period of 18 months to participate in subsequent private placements in order to maintain its then current interest in the Company up to a maximum interest of 19.9% in the Company. No other insiders were created as a result of the Private Placement nor was there any change of control of the Company. Immediately following the completion of the Private Placement, GRP will have control or direction over an aggregate of 16.62% of the Company’s issued and outstanding common shares. All securities issued pursuant to the Private Placement will be subject to a four month hold period and the completion of the Private Placement remains subject to the TSXV granting final acceptance.

Chris Staargaard, the Chief Executive Officer and a director of the Company, and Louis Montpellier, a director 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. Additional information relating to MI 61-101 and TSXV Policy 5.9 may be found below.

Appointment of Directors

The Company is also pleased to announce the appointments of Wayne Hubert and Kerry Curtis to the board of directors immediately following completion of the Private Placement.

Mr. Hubert was most recently CEO and director of Andean Resources Limited from 2006 until December 2010. When he joined Andean, the company had a market capitalization of \$70 million and a resource base of about 800,000 ounces of gold. Mr. Hubert helped lead Andean through several discoveries which increased the resource base to over 5 million ounces of high-grade gold as well as subsequent feasibility studies, financings and permitting. Andean was ultimately acquired by Goldcorp for \$3.5 billion.

Prior to his tenure at Andean, Mr. Hubert was Vice-President Corporate Development and Investor Relations with Meridian Gold Inc. During his 14 year career at Meridian, he gained considerable experience in the areas of finance, exploration, project development, permitting and construction. He has a bachelor of science in Chemical Engineering from the University of Cape Town and an MBA from Brigham Young University.

Mr. Curtis is the former President, CEO and director of Cumberland Resources Ltd., a Canadian gold company which he led from the resource discovery stage through feasibility, permitting and initial construction until its acquisition by Agnico Eagle in 2007. He is also a former director of Meliadine Resources Ltd., a privately owned Nunavut gold explorer which was sold to Agnico Eagle in 2010. He is currently President and CEO of South Arm Resources Ltd., a private company based in British Columbia.

Mr. Curtis has 28 years of experience in mineral exploration, feasibility, development and financing as well as corporate development and general corporate affairs. He has completed a wide range of mining transactions in his career including corporate transactions, equity financings for exploration and development and syndicated bank financing for development. He is a graduate of the University of British Columbia with a Bachelor of Science in Geology and is a Professional Geoscientist (P.Geo.) registered with the Association of Professional Engineers and Geoscientists of British Columbia.

Following completion of the Private Placement, Steve Vanry and Frank Wheatley resigned from the board of directors in order to make room for the appointments of Messrs. Hubert and Curtis. The Company thanks them for their support and assistance during their respective tenures.

Additional Information Regarding MI 61-101 and 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 of the Private Placement 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. Staargaard and Montpellier were unanimously approved by the directors of the Company who did not subscribe to the Private Placement, with Messrs. Staargaard and Montpellier abstaining from the vote. 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. Closing the Private Placement within less than 21 days of the announcement of the Private Placement is reasonable in the circumstances as the Company requires the proceeds of the Private Placement as soon as possible for general corporate purposes.

About Lithic

Lithic Resources holds a 100% interest in the advanced stage Crypto project in Utah, a zinc-copper-silver-indium-gold deposit previously explored by Utah International and Cyprus Minerals. Drilling and an updated resource estimate by the Company in 2007-2009 substantially increased the size of the resource base at Crypto and preliminary metallurgical testwork has shown good recoveries to separate zinc (indium) and copper (gold-silver) concentrates using standard flotation processing.

In 2010, a Preliminary Economic Assessment (PEA) showed that the most likely development scenario at Crypto would be that of a conventional 3,500 tonne per day underground mine and mill complex. Zinc would represent approximately half of the value of production, the balance by copper, silver, indium and gold. The levels of indium in the deposit are exceptional and highlight Crypto as perhaps the most important potential resource of that metal in the USA where there is currently no domestic production.

A significant proportion of the minimum grade and tonnage required for an economic situation has already been defined. Since the deposit is open in several directions, there is good potential to expand existing resources and very good potential for the discovery of new zones beyond these extensions. A US\$3 million program of drilling is planned to continue expanding tonnes and grade. The project is fully permitted and bonded. Technical reports and other information regarding the Crypto project may be found at www.lithicresources.com.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the use of proceeds of the Private Placement, the potential of the Company's mineral projects and the Company's planned drilling and exploration programs. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results, performance, or actions and that actual results and actions may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, those risks and uncertainties disclosed in the Company's Management Discussion and Analysis for the year ended December 31, 2011 filed with certain securities commissions in Canada and other information released by the Company and filed with the appropriate regulatory agencies. All of the Company's

Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

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