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Positive Testwork Supports Co-production of Iron Concentrates at West Desert Zinc-Copper Project

Lithic Resources Ltd. (LTH-TSX Venture) (the "Company") is pleased to announce that it has received the results of metallurgical testwork in support of an ongoing Preliminary Economic Assessment (PEA) for its 100% owned West Desert zinc-copper-silver-gold-iron project in Utah (the "Project"). The West Desert project hosts significant zinc-copper resources with associated massive, high-grade iron (magnetite) mineralization.

"Today's results indicate that magnetite in the West Desert project could be recovered as a co-product of zinc-copper production through a cost effective and conventional process into a marketable, high-quality iron concentrate. Simply stated, a large proportion of the material mined and processed in order to extract zinc and copper, which was given no value in previous studies and was directed to tailings, now has the potential to provide a significant additional source of revenue for the West Desert project," stated Chris Staargaard, President and CEO. "The option of co-producing iron concentrates offers a variety of positive implications, including the potential for:

a. a significant increase in Project revenue resulting in lower cost zinc production,
b. a smaller, lower cost tailings facility due to the diversion of a significant volume of magnetite,
c. increased flexibility in scaling and mining, and
d. an increase in the resource base through the addition of iron (magnetite) mineralization.

The possibility of adding high grade iron as yet another saleable commodity from West Desert in addition to zinc, copper, silver, gold and indium is an exciting and constructive development for the Project and the Company", he added.

2013 Metallurgical Testwork

Based on the suggestion in previous studies (2010) that iron could contribute to the project economics, additional metallurgical test work was commissioned in February 2013 at ALS Metallurgy in Kamloops, B.C. The work focused on the potential production of an iron (magnetite) concentrate concurrent with the processing of sulphide mineralization to produce copper and zinc concentrates and was supervised on the Company's behalf by Mr. Jeffrey Austin, P.Eng.

A new inventory of drill core was selected to incorporate a more wide ranging representation of the iron mineralization at West Desert. Thirty-one samples of core were blended to form a single composite (150 kg) of mineralization that was used in metallurgical testwork. Metallurgical testing followed a very traditional process simulation including primary grinding, magnetic separation to produce a rough iron concentrate and subsequent re-grinding and magnetic separation to produce a high-grade iron concentrate.

The results of the 2013 testwork showed that:

a. A marketable, high-grade iron (magnetite) concentrate grading 63% iron can potentially be produced with a traditional process flowsheet using known processing techniques. The recovery of iron was very high in the process testwork at levels above 95%. Minor amounts of diluents are present in the concentrate. Levels of potential deleterious elements are low.

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 base metal values such as copper and zinc and any associated silver, gold and indium, will be recovered separately into flotation concentrates.

Significant levels of magnetite have been shown to be present in all metallurgical composite samples of sulphide-based zinc-copper mineralization used in the testwork carried out by the Company to date, as seen in the table below. The positive testwork results suggest that a large proportion of this magnetite has the potential to be recovered and sold.

Summary of Estimated Magnetite Content – Copper-Zinc Metallurgical Test Composites

Laboratory	Test Sample	% Magnetite
G&T Metallurgical (2010)	Cu-Zn Composite	18
G&T Metallurgical (2010)	High Zinc Composite	25
G&T Metallurgical (2010)	Low Zinc Composite	39
ALS Metallurgy (May 2013)*	High Iron Composite	74

**formerly G&T Metallurgical*

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 will be studied for its potential to add to the Project resource base.

About the West Desert Project

The road-accessable 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 resource along with associated near surface oxide resources, based on approximately 40,000 metres of diamond drilling (November 19, 2009 news release). Mineralization is open in several directions with good potential to expand existing resources and very good potential for the discovery of new zones beyond these extensions. The Project is fully permitted and bonded for future exploration.

West Desert Project Resources (2009)

Category	Tonnes (million)	Zinc Equivalent (%)	Zinc (%)	Copper (%)	Indium (g/t)	Zinc (million lbs)	Copper (million lbs)	Indium (kg)
Sulphide								
Indicated	5.8	6.60	4.44	0.31	49	568	39	283,100
Inferred	13.8	6.83	4.84	0.37	37	1,472	113	516,400
Oxide								
Indicated	1.1	5.48	4.54	0.26	10	111	6	11,500
Inferred	4.6	4.45	3.73	0.16	13	382	17	58,300

Note: Based on a 3% Zinc-equivalent (ZnEq) cutoff grade for the Sulphide resource and a 1% ZnEq cutoff grade for the Oxide resource. Zinc-equivalent grade was calculated using a zinc price of US$0.80/lb, a copper price of US$2/lb and an indium price of US$500/kg. Zinc equivalent grades do not include significant recoverable gold and silver demonstrated to be present in subsequent metallurgical testwork.

An earlier PEA (August 5, 2010 news release) contemplated an underground-only production model based on the sulphide resource. It evaluated the mining and processing of 1.2 million tonnes per year and generated annual payable metal production of 90 million pounds zinc, 7.1 million pounds copper, 1.1 million ounces of silver and 7,000 ounces gold over an 11 year mine life. The 2010 model utilized long term metal prices of US$1.10/lb zinc, US$2.00/lb copper, US$12/oz silver, US$850/oz gold and an indium price of US$500/kg.

Metallurgical studies completed at the time indicated good recoveries from sulphide mineralization to produce separate zinc and copper concentrates using conventional flotation processing. 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. The 2010 PEA concluded that there is good potential to expand the existing resources and improve the economics of the Project and furthermore identified the processing of oxide resources and separation of a magnetite concentrate as future opportunities.

In January 2013, the Company commissioned a new PEA from Mine Development Associates in Reno, Nevada, on the basis of a number of factors and opportunities, including:

a. Improved base and precious metal prices and lower smelter fees since the 2010 PEA.
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.

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements as set out in NI43-101 and was reviewed by C.F. Staargaard, P.Geo., a Qualified Person as defined in NI43-101. Mr. Jeffrey B. Austin, P.Eng., President of International Metallurgical and Environmental Inc., is supervising the metallurgical studies for the PEA. Mr. Austin has extensive experience in the commissioning of new mines and has supported several hundred project studies over the last 25 years.

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"

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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 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, 2012 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.