



Narhex Life Sciences Ltd

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PERTH WA 6000
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ABN: 51 094 468 318

7 June 2011

Company Announcements Office
Australian Securities Exchange
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sir

NOTICE OF ANNUAL GENERAL MEETING

Please find attached a copy of the Notice of Annual General Meeting to be held on 8 July 2011.

Yours faithfully

**Simon Lill
Director
Narhex Life Sciences Limited**



NARHEX LIFE SCIENCES LIMITED
ACN 094 468 318

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

Annual General Meeting to be held at the offices of
Trident Capital, Level 24, 44 St George's Terrace, Perth, Western Australia
on
8 July 2011 commencing at 4:00pm (WST)

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or
other professional adviser without delay.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Narhex Life Sciences Limited which this Notice of Meeting relates to will be held at 4:00pm WST on 8 July 2011 at the offices of Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- (a) send the Proxy Form by post to Narhex Life Sciences Limited, PO Box Z5183, Perth WA 6831; or
- (b) send the Proxy Form by facsimile to the Company on facsimile number (08) 9218 8875.

so that it is received not later than 4.00pm WST on 6 July 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Narhex Life Sciences Limited will be held at Level 24, 44 St Georges Terrace, Perth, Western Australia at 4:00pm WST on 8 July 2011.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 6 July 2011.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

The business to be transacted at the Annual General Meeting is the consideration of Items 1 and 2 and proposal of Resolutions 1 to 5 (inclusive) as set out below.

Item 1 – Financial Statement and Reports: 2008/2009

To receive and consider the 2009 Annual Report, together with the directors' report and auditor's report for the financial year ended 30 June 2009.

Item 2 – Financial Statement and Reports: 2009/2010

To receive and consider the 2010 Annual Report, together with the directors' report and auditor's report for the financial year ended 30 June 2010.

Resolution 1 – Approval of Remuneration Report: 2008/2009

To consider and, if thought fit, pass the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and all other purposes, the Remuneration Report as set out in the directors' report for the year ended 30 June 2009 be adopted."

Resolution 2 – Approval of Remuneration Report: 2009/2010

To consider and, if thought fit, pass the following **advisory only resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Directors’ Report for the year ended 30 June 2010 be adopted.”

Resolution 3 – Re-election of Directors

To consider and, if thought fit, pass the following resolutions as **ordinary resolutions**:

- (a) *“That, for all purposes, Mr Peter Christie, who was appointed as a Director by the Board pursuant to Clause 13.2 of the Constitution, and being eligible, offers himself for re-election, is re-elected as a Director in accordance with the Constitution.”*
- (b) *“That, for all purposes, Mr Simon Lill, who was appointed as a Director by the Board pursuant to Clause 13.2 of the Constitution, and being eligible, offers himself for re-election, is re-elected as a Director in accordance with the Constitution.”*
- (c) *“That, for all purposes, Mr David Mandel, who was appointed as a Director by the Board pursuant to Clause 13.2 of the Constitution, and being eligible, offers himself for re-election, is re-elected as a Director in accordance with the Constitution.”*
- (d) *“That, for all purposes, Mr Peter Nash, being a Director, retires in accordance with clause 16.1 of the Constitution and being eligible for re-election, is hereby re-elected as a Director.”*

Resolution 4 – Issue of Options to the Directors

To consider and, if thought fit, pass the following resolutions as **ordinary resolutions**:

“That, in accordance with section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue 7,500,000 Options to the Directors as follows:

- (a) *2,500,000 Options to Peter Christie (and/or nominee);*
- (b) *2,500,000 Options to David Mandel (and/or nominee); and*
- (c) *2,500,000 Options to Peter Nash (and/or nominee),*

with an exercise price of \$0.02 and expiring on the date 3 years from issue, and otherwise on the terms and conditions detailed in the accompanying Explanatory Statement.

Voting Exclusion: For the purposes of ASX Listing Rule 10.13 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolutions 4(a) to (c) by Peter Christie, David Mandel, Peter Nash and any of their associates, respectively. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Issue of Options to Mr John Majewski

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That in accordance with Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of 2,500,000 Options to Mr John Majewski (and/or nominee) with an exercise price of \$0.02 and expiring on the date 3 years from issue, and otherwise on the terms and conditions detailed in the accompanying Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 5 by Mr John Majewski and any of his associates. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 27 May 2011

BY ORDER OF THE BOARD



**SIMON LILL
DIRECTOR
NARHEX LIFE SCIENCES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Narhex Life Sciences Limited to be held at Level 24, 44 St Georges Terrace, Perth, Western Australia at 4:00pm WST on 8 July 2011.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

There are 2 Items and 5 Resolutions to be put to the Annual General Meeting.

Items 1 and 2 are not resolutions and merely enable the Company to lay its financial statements and reports at the Annual General Meeting, as required by the Corporations Act.

Resolutions 1 to 5 (inclusive) are ordinary resolutions.

Resolutions 1 to 3 relate to the ordinary business of the Company at an Annual General Meeting, as required by the Listing Rules, the Corporations Act and the Constitution. Each of these Resolutions is not conditional upon the passing of each other Resolution.

Resolution 4 relates to the issue of Options to the Directors and Resolution 5 relates to the issue of Options to Mr John Majewski. Certain voting restrictions are imposed in relation to Resolutions 4 and 5 as detailed in the accompanying Notice of Meeting under the heading "Voting Exclusion".

A short explanation of each Item or Resolution is set out below.

ITEMS 1 AND 2 – FINANCIAL STATEMENTS AND REPORTS

The 2009 Annual Report, 2010 Annual Report, Directors' reports and auditor' reports for the Company for the years ended 30 June 2009 and 30 June 2010 will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

- conduct of the audit;
- preparation and content of the auditor's report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; or
- independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the auditor's reports of the conduct of the audit may be submitted no later than 5 Business Days before the Annual General Meeting date to the Company Secretary at c/o Trident Capital Level 24, 44 St Georges Terrace Perth WA 6000, or by facsimile on (08) 9218 8875.

RESOLUTIONS 1 AND 2 – APPROVAL OF REMUNERATION REPORTS

The Remuneration Reports of the Company for the financial years ended 30 June 2009 and 30 June 2010 are included in the Directors' report in the Company's annual report for the financial years ended 30 June 2009 and 30 June 2010. The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. Resolutions 1 and 2 seek this approval.

However, in accordance with Section 250R(3) of the Corporations Act, Shareholders should note that Resolutions 1 and 2 are "advisory only" Resolutions which do not bind the Directors or the Company.

Following consideration of the Remuneration Reports, the Chairman, in accordance with Section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Reports.

RESOLUTION 3 – RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following his or her appointment, but is eligible for re-election at that Annual General Meeting. Accordingly, as Mr Peter Christie, Mr Simon Lill and Mr David Mandel have each been appointed by the Board to fill a casual vacancy, they each now retire, but being eligible, offer themselves for election as a Director.

In addition, Clause 16.1 of the Constitution provides that at every annual general meeting, one third of the Directors must retire from office, with a retiring director being eligible for re-election. Accordingly, Mr Peter Nash retires, but being eligible, offers himself for election as a Director.

Details of the candidates are as follows:

Peter Christie

Peter Christie graduated from Curtin University with a Bachelor of Business in 1983 and is a qualified Accountant and Tax Agent. He has 27 years of commercial experience and in that time has developed extensive business, hospitality and property interests. Mr Christie is also currently a non-executive director of Carnavale Resources Limited and Safety Medical Products Limited.

Simon Lill

Mr Lill is an Associate Director of Trident Capital. He has a BSc (Pharmacol.) and a Masters of Business Administration, both from The University of Western Australia. He has a background of over 25 years of stockbroking, capital raising, management, business development and analysis for a range of small and start-up companies, both in the manufacturing and resources industries. Mr Lill is also currently a non-executive director of Safety Medical Products Limited.

David Mandel

Mr Mandel has a BSc (Chemistry) in the UK and is also qualified as an Accountant (CIMA). Since returning to Australia he became a senior member of the Finance & Treasury Association (CFTP) and more recently a Member of the Institute of Company Directors (MICD). Mr Mandel worked for over twenty five years for multinational companies in Australia, the UK and the USA. For the last 10 years, Mr Mandel has consulted to a number of biotech, technology based and manufacturing businesses. Mr Mandel is also currently a non-executive director of Sirius Corporation Ltd.

Peter Nash

Mr Peter Nash has advised Australian businesses in relation to mergers, acquisitions and financing in China and has an extensive network of contacts in China. Mr Nash was largely responsible for Moody International's foray into China through introducing it to CCIS State Inspection Authority. Mr Nash has been instrumental in setting up manufacturing plants in China for C.E.M. International Ltd, a cryogenic vessel manufacturer, and Garwood International, a supplier of garbage compactor trucks.

RESOLUTION 4 – ISSUE OF OPTIONS TO DIRECTORS

Resolution 4 seeks Shareholder approval for the issue of 7,500,000 Options exercisable at \$0.02 expiring 3 years from the date of issue as follows:

- (a) 2,500,000 Options to Peter Christie (and/or nominee);
- (b) 2,500,000 Options to David Mandel (and/or nominee); and
- (c) 2,500,000 Options to Peter Nash (and/or nominee).

The Options cannot be exercised until 12 months after the date of issue ("**Escrow Period**") and before the Options can be exercised the Company's shares must have traded at a minimum price of \$0.05 per share for 10 consecutive trading days after the expiry of the Escrow Period. The Options are otherwise issued on the terms and conditions as specified in Annexure A accompanying this Notice.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied.

ASX LISTING RULE 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the company.

If Resolution 4 is passed, Options will be issued to Mr Peter Christie, Mr David Mandel and Mr Peter Nash, who are related parties of the Company, being Directors of the Company. Accordingly, approval for the issue of Options is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Mr Peter Christie, Mr David Mandel and Mr Peter Nash as approval is being obtained under ASX Listing Rule 10.11. Accordingly, Shareholders should note that the issue of the Options to the Directors pursuant to this Resolution 4 will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX LISTING RULE 10.13

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the related parties are Mr Peter Christie, Mr David Mandel and Mr Peter Nash who are all Directors of the Company;
- (b) the maximum number of Options to be issued by the Company is 7,500,000 as follows:
 - (i) 2,500,000 Options to Peter Christie (and/or nominee);
 - (ii) 2,500,000 Options to David Mandel (and/or nominee); and
 - (iii) 2,500,000 Options to Peter Nash (and/or nominee);
- (c) the Options will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on the same date;
- (d) the Options will be issued for no cash consideration;
- (e) the Options have an exercise price of \$0.02 each and will expire 3 years from the date of issue. The Options are otherwise issued on the terms and conditions as specified in Annexure A accompanying this Notice; and
- (f) no funds will be raised from the issue of the Options as the purpose of the issue to Mr Peter Christie, Mr David Mandel and Mr Peter Nash is to reward the Directors for their previous efforts and to provide an incentive to provide dedicated and ongoing services to the Company.

SECTION 208 OF THE CORPORATIONS ACT

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Options to Mr Peter Christie, Mr David Mandel and Mr Peter Nash constitutes a “financial benefit” as defined in the Corporations Act. Further, Mr Peter Christie, Mr David Mandel and Mr Peter Nash, being Directors of the Company, are “related parties” of the Company as defined under the Corporations Act. Accordingly, the proposed issue of Options to Mr Peter Christie, Mr David Mandel and Mr Peter Nash will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the Options to the Directors.

SECTION 219 OF THE CORPORATIONS ACT

Pursuant to section 219 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Peter Christie, Mr David Mandel and Mr Peter Nash:

- (a) the related parties to whom the financial benefit will be given are Mr Peter Christie, Mr David Mandel and Mr Peter Nash;
- (b) the maximum number of Options (being the nature of the financial benefit to be provided) to be issued is 7,500,000:
 - (i) 2,500,000 Options to Peter Christie (and/or nominee);
 - (ii) 2,500,000 Options to David Mandel (and/or nominee); and
 - (iii) 2,500,000 Options to Peter Nash (and/or nominee),with the terms of the Options set out in Annexure A to this Notice.
- (c) the Directors recommend that Shareholders vote in favour of Resolution 4, except where they have a material personal interest as follows:
 - (i) Peter Christie recommends Shareholders vote in favour of Resolution 4(b) and (c) (but declines to make a recommendation in relation to Resolution 4(a) due to the fact that he has a material person interest in its outcome);
 - (ii) David Mandel recommends Shareholders vote in favour of Resolution 4(a) and (c) (but declines to make a recommendation in relation to Resolution 4(b) due to the fact that he has a material person interest in its outcome);
 - (iii) Peter Nash recommends Shareholders vote in favour of Resolution 4(a) and (b) (but declines to make a recommendation in relation to Resolution 4(c) due to the fact that he has a material person interest in its outcome); and
 - (iv) Simon Lill recommends Shareholders vote in favour of Resolution 4.

The Directors' recommendations to the Shareholders are made on the basis that, in their opinion, the proposed issue of the Options:

- (i) is critical to incentivise Peter Christie, David Mandel and Peter Nash to contribute to the ongoing success of the Company's projects;
- (ii) is a fair and reasonable alternative to a cash payment which also provides an incentive to Peter Christie, David Mandel and Peter Nash in the provision of services to the Company required to commercialise the Company's projects;
- (iii) are commercial for the Company in light of the potential benefits, dilution effect and potential costs described above; and
- (iv) is necessary to reflect remuneration paid to directors of companies in industries and of size similar to that of the Company.

The Directors considered the market price of the Shares when the resolution was passed and current market practice when determining the number and exercise price of the Options to be issued.

- (d) Peter Nash and David Mandel are currently paid \$20,000 per annum as non-executive directors of the Company and Peter Christie is paid \$25,000 per annum as non-executive chairman of the Company;
- (e) The Directors currently have the following interests in Shares and options in the Company:

Director	Shares	Options
Peter Christie	-	-
David Mandel	150,000	-
Peter Nash	50,000	-
Simon Lill	4,000,000	-

- (f) The Directors' interests in the outcome of Resolution 4 are as follows:

Director	Options to be Issued	Total Value of Options (refer Black and Scholes Model below)
Peter Christie	2,500,000	\$52,500
David Mandel	2,500,000	\$52,500
Peter Nash	2,500,000	\$52,500
Simon Lill	-	-

- (g) if Shareholders approve the issue of Options, and all of the Options the subject of Resolution 4 are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.71% on an undiluted basis and based on the number of Shares on issue as at the date of this Notice. The market price for Shares during the term of the Options would normally determine whether or not the Directors exercise the Options. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. The highest, lowest and last trading price of Shares on ASX during the three month period prior to the date of this Notice are as set out below:

	Date	Price
Highest	19 May 2011	3.5 cents
Lowest	18 March 2011	1.6 cents
Last	26 May 2011	3.0 cents

- (h) the ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the Options proposed to be granted. The value of the Options has been calculated using the Black & Scholes pricing model and is set out below; and
- (i) additional information in relation to Resolution 4 is set out throughout this Explanatory Statement. Shareholders should therefore read the Notice and Explanatory Statement (including Annexure A accompanying this Notice) in its entirety before making a decision as to how to vote on Resolution 4.

VALUATION OF THE OPTIONS

The Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

- (a) the Options are exercisable at \$0.02 each and expire 3 years from the date of issue;
- (b) a volatility factor of 100.00% based on the best estimate of the Company's future share price movement;
- (c) a risk free interest rate of 4.92% based on the Australian Government 3 year bond rate as at 25 May 2011; and
- (d) the valuation date for the Options was 25 May 2011 and the Share price on that date was \$0.03.

Based on the above, the 7,500,000 Options proposed to be issued to the Directors pursuant to Resolution 4 have been valued at \$157,500 in aggregate.

Subject to Shareholder approval, the Options will be granted on the terms and conditions set out in Annexure A accompanying this Notice.

RESOLUTION 5 – ISSUE OF OPTIONS TO MR JOHN MAJEWSKI

Resolution 5 seeks Shareholder approval under Listing Rule 7.1 for the issue of 2,500,000 Options exercisable at \$0.02 expiring 3 years from the date of issue to Mr John Majewski (and/or his nominees).

The Options cannot be exercised until 12 months after the date of issue (“**Escrow Period**”) and before the Options can be exercised the Company’s shares must have traded at a minimum price of \$0.05 per share for 10 consecutive trading days after the expiry of the Escrow Period. The Options are otherwise issued on the terms and conditions as specified in the Annexure A of this Notice.

Mr Majewski was a former founding director of the Company resigning from the Board on 15 September 2005. The 2,500,000 Options to be issued to Mr Majewski under Resolution 5 are in consideration for technical and corporate consultancy services recently provided by Mr Majewski associated with the Company’s technology and recapitalisation of the Company.

The ASX Listing Rules set out a number of regulatory requirements which must be satisfied in relation to the issue of Options to Mr Majewski pursuant to Resolution 5.

ASX LISTING RULE 7.1

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. The limitation on issuing equity securities is fifteen percent (15%) of a company’s capital in any twelve (12) month period.

Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to certain exceptions, issue any equity securities or other securities with rights of conversion to equity (such as an option or convertible note) during any twelve (12) month period, if the number of those securities exceeds fifteen percent (15%) of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

The total number of securities that may be issued under Resolution 5 is 2,500,000 Options.

Consequently, approval is only being sought under Listing Rule 7.1 in relation to Resolutions 5. Following the approval of the issue of these Options under Resolution 5, the Company will still have the capacity to issue fifteen percent (15%) of its expanded share capital over the next twelve (12) months as those Options once issued will be excluded from the calculation under Listing Rule 7.1.

ASX LISTING RULE 7.3

Listing Rule 7.3 requires the following information to be provided to Shareholders:

- (a) The maximum number of securities to be issued under Resolution 5 is 2,500,000 Options.
- (b) The Options will be allotted and issued under Resolution 5 within 3 months of the Annual General Meeting.
- (c) the Options will be issued for no cash consideration;
- (d) The allottee under Resolution 5 is Mr John Majewski, who is not a related party or associate of the Company.
- (e) The Options have an exercise price of \$0.02 each and will expire 3 years from the date of issue. The Options are otherwise issued on the terms and conditions as specified in the Annexure A of this Notice.
- (f) No funds will be raised from the issue of the Options under Resolution 5. Upon exercise of the Options, the funds raised will be applied to working capital of the Company, however, there is no guarantee that the Options will be exercised at any future time.

CAPITAL STRUCTURE

If Resolution 4 and 5 are approved, the capital structure of the Company will be as follow:

Description	Number of Shares	Number of Options
Existing Securities	430,117,350	-
Issue of Options to Directors (Resolution 4)	-	7,500,000
Issue of Options to John Majewski (Resolution 5)	-	2,500,000
TOTALS	430,117,350	10,000,000

GLOSSARY

2009 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2009.

2010 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2010.

Annual General Meeting means the annual general meeting of the Company to be held at Level 24, 44 St Georges Terrace, Perth, Western Australia at 4:00pm on 8 July 2011.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ASX 008 624 691).

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the board of Directors.

Company or **Narhex** means Narhex Life Sciences Limited (ACN 094 468 318).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share on the terms and conditions set out in Annexure A.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the Annual Report.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

ANNEXURE “A”

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options proposed to be allotted and issued and the subject of proposed Resolutions 4 and 5 are as follows:

- (a) Each Option entitles the holder (“**Option Holder**”) to subscribe for a Share in the Company at the exercise price of \$0.02 per Share.
- (b) The Options expire on the date 3 years from issue. Any Options not exercised on or before the expiry date will automatically lapse.
- (c) The Options cannot be exercised within 12 months after the date of issue (“**Escrow Period**”) and before the Options can be exercised the Company’s Shares must have traded at a minimum price of \$0.05 per share for 10 consecutive trading days after the expiry of the Escrow Period.
- (d) All Shares in the Company allotted on the exercise of Options will rank equally in all respects with the then existing Shares.
- (e) The Options are not transferable and it is not intended that application will be made to ASX for quotation of the Options. The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.
- (f) An Option Holder may only participate in new issues of securities (“**New Issue**”) to holders of Shares in the Company if the Options have been exercised and Shares allotted in respect of the Options before the record date for determining entitlements to the New Issue. The Company must give to the Option Holder at least 7 business days notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the Listing Rules.
- (g) There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (h) If there is a bonus issue (“**Bonus Issue**”) to the holders of Shares in the Company, the number of Shares over which the Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue (“**Bonus Shares**”). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (i) If prior to the expiry date, there is a reorganisation of the issued capital of the Company, the Options are to be treated in the manner set out in the Listing Rules.

PROXY FORM

**The Directors
Narhex Life Sciences Limited
(ACN 094 468 318)**

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Narhex Life Sciences Limited and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the Annual General Meeting of the Company to be held at Level 24, 44 ST George's Terrace, Perth, Western Australia on 8 July 2011 at 4:00pm (WST) and at any adjournment of that meeting.

The Chairman
of the meeting
(mark with an 'X')

☐

IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do **not** wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

OR

**If the person you are appointing as your proxy is someone other than the Chairman of the meeting:
Write the name of that person in the box below.**

 %

You must specify the % of your votes that you authorise your proxy to exercise if:

If you hold 2 or more Shares in Narhex Life Sciences Limited, you may appoint a second proxy: Write the name of your second proxy in the box below.

 %

- (a) you have only appointed 1 proxy and do not want him/her to exercise all of your votes; or
- (b) if you have appointed 2 proxies under this proxy form.

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the Annual General Meeting of the Company to be held at Level 24, 44 St George's Terrace, Perth, Western Australia on 8 July 2011 at 4:00pm (WST) and at any adjournment of that meeting.

Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

Ordinary Business

		For	Against	Abstain
Resolution 1.	Approval of Remuneration Report: 2008/2009	☐	☐	☐
Resolution 2.	Approval of Remuneration Report: 2009/2010	☐	☐	☐
Resolution 3.	Re-election of Directors			
	(a) Re-election of Peter Christie	☐	☐	☐
	(b) Re-election of Simon Lill	☐	☐	☐
	(c) Re-election of David Mandel	☐	☐	☐
	(d) Re-election of Peter Nash	☐	☐	☐
Resolution 4.	Issue of Options			
	(a) Issue of Options to Peter Christie	☐	☐	☐
	(b) Issue of Options to David Mandel	☐	☐	☐
	(c) Issue of Options to Peter Nash	☐	☐	☐
Resolution 5.	Issue of Options to John Majewski	☐	☐	☐

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

**Sole Director and
Sole Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the shareholders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received by the Company by post at Narhex Life Sciences Limited, PO Box Z5183, Perth WA 6831 or facsimile at (+61 8) 9218 8875 not later 48 hours before the commencement of the meeting (i.e. no later than 4.00pm (WST) on 6 July 2011). Any Proxy Form received after that time will not be valid for the scheduled meeting.