Narhex Life Sciences Ltd

Level 24, 44 St George's Terrace
PERTH WA 6000
P: +61-8-6211 5099
F: +61-8-9218 8875

ABN: 51 094 468 318

24 November 2011

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

Dear Sir

OPTIONS OVER ADDITIONAL COAL TENEMENTS IN CENTRAL QUEENSLAND

Narhex Life Sciences Limited (**Company**) has entered into 3 additional option agreements over 4 additional tenements in Queensland considered prospective for coal. The Company has structured all option exercise payments such that there is no equity to be issued in the Company until the Company is able to confirm certain quantity and quality of coal resources in accordance with JORC standards, as further described within. A map showing the Company's total option interests in tenements is attached (**Map One**).

Coalplay Pty Ltd – Tenements EPCA 2769 and 2771 (under application) (Map Two and Three)

EPCA 2769 ("**Glastonbury**") is to the immediate south of Tiaro Coal Limited's Maryborough Project with exposure to the Tiaro Coal Measures. The eastern portion of the tenement is considered particularly prospective as it contains outcrop/subcrop of the Tiaro Coal Measures and the Triassic Myrtle Creek Sandstone, both of which are coal-bearing. Tiaro Coal Limited has provided a resource target estimate of 20 – 30 million tonnes of coal with high vitrinite characteristics, ranking predominantly from coking and PCI coals to thermal coal products.[1] Results reported to date indicate the resource is predominantly good quality coking coal. The resource estimate is on one region of one tenement, EPC 956, with other regional targets on EPC's 956, 957 and 972 to be determined.

Glastonbury is well serviced by infrastructure, being within 10 kms of the main Brisbane to Gladstone railway line leading to suitable port facilities, whilst also well serviced by road facilities, manpower and mining service industries.

The payment to the Vendor for entering into this Option with the Company is $35,000.

The Option period is for a period of 6 months from the time the EPCA is granted, which is anticipated in the first half of 2012.

The total consideration for the purchase of the Tenement will be payable by the Company to the Vendor as follows:

- the Exercise Price of $250,000 at Settlement, followed by the potential issue of:

[1] TCM ASX Announcement dated 20 September 2011

- 50,000,000 Shares at a deemed issue price of $0.025 per Share upon the Company identifying an inferred JORC resource level of 50,000,000 tonnes of commercial specification coking coal, or 200,000,000 tonnes of commercial specification thermal coal;
- 50,000,000 Shares at a deemed issue price of $0.025 per Share upon the Company identifying an indicated JORC resource level of 100,000,000 tonnes of commercial specification coking coal or 200,000,000 tonnes of commercial specification thermal coal; and
- 50,000,000 Shares at a deemed issue price of $0.025 per Share upon the Company identifying an indicated JORC resource level of 200,000,000 tonnes of commercial specification coking coal or 300,000,000 tonnes of commercial specification thermal coal.

The Option Agreement is subject to regulatory approvals, including but not limited to, ministerial and shareholder approvals to complete the acquisition.

EPCA 2771 (the "**Moonie Project**") is on the edge of the Surat and Bowen Basins and shows outcrops of the Wallumbilla Formation but has additional multiple targets in the Mooga Sandstone, Orallo Formation and Westbourne Formation at depths of less than 400m. The tenement is in proximity to the Moonie townsite which brings with it suitable road infrastructure being at the intersection of the Leichhardt and Moonie Highways, though also some town site exclusion restrictions.

The payment to the Vendor for entering into this Option with the Company is $35,000.

The Option period is for a period of 6 months from the time the EPCA is granted, which is anticipated in the first half of 2012.

The total consideration for the purchase of the Tenement will be payable by the Company to the Vendor as follows:

- the issue of 16,666,668 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an inferred JORC resource level of 100,000,000 tonnes of commercial specification thermal coal or coal of a better grade;
- the issue of 16,666,666 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an indicated JORC resource level of 100,000,000 tonnes of commercial specification thermal coal or coal of a better grade; and
- the issue of 16,666,666 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an inferred JORC resource level of 200,000,000 tonnes of commercial specification thermal coal or coal of a better grade.

BBY Coal Pty Ltd – Tenements EPCA 2600 and 2601 (under application) (Map Four)

Both tenements are in the region of the Company's existing optioned tenements EPCA 2303 and EPCA 2304, reported on in the ASX announcement dated 16 November 2011. EPCA 2600 and EPCA 2601 cover the New England Fold Belt and are mostly underlain by Carboniferous to Permian gabbros and phyllites, along with sandstone and mudstone sequences which may contain thin coal. The tenements are considered prospective for the Evergreen Formation along the eastern margins.

The Company expects its focus in this region to be dominantly on EPCA 2303 and 2304 which overlay the Surat Basin. There are significant Surat Basin coal seams recorded within 60 kms to the north in Macarthur Coal's Monto Project.

The region is well serviced by infrastructure with rail in proximity leading to either the Gladstone or Maryborough Port.
It is also noted that the large mining group, Civil and Mining Resources Pty Limited, has significant tenement holdings in the region as well, though to date have been silent on their intent for their regional land holdings.

The payment to the Vendor for entering into this Option with the Company is $35,000.

The Option period is for a period of 6 months from the time the EPCA is granted, which is anticipated in the first half of 2013.

The total consideration for the purchase of the Tenements will be payable by the Company to the Vendor as follows:

- the issue of 8,333,334 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an inferred JORC resource level of 100,000,000 tonnes of commercial specification thermal coal or coal of a better grade;
- the issue of 8,333,333 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an indicated JORC resource level of 100,000,000 tonnes of commercial specification thermal coal or coal of a better grade; and
- the issue of 8,333,333 Shares at a deemed issue price of $0.04 per Share upon the Company identifying an indicated JORC resource level of 200,000,000 tonnes of commercial specification thermal coal or coal of a better grade.

The combination of the above Options over tenements prospective for coal in Queensland gives the Company significant acreage and the opportunity to become a significant participant in Queensland's resurgent coal exploration industry.

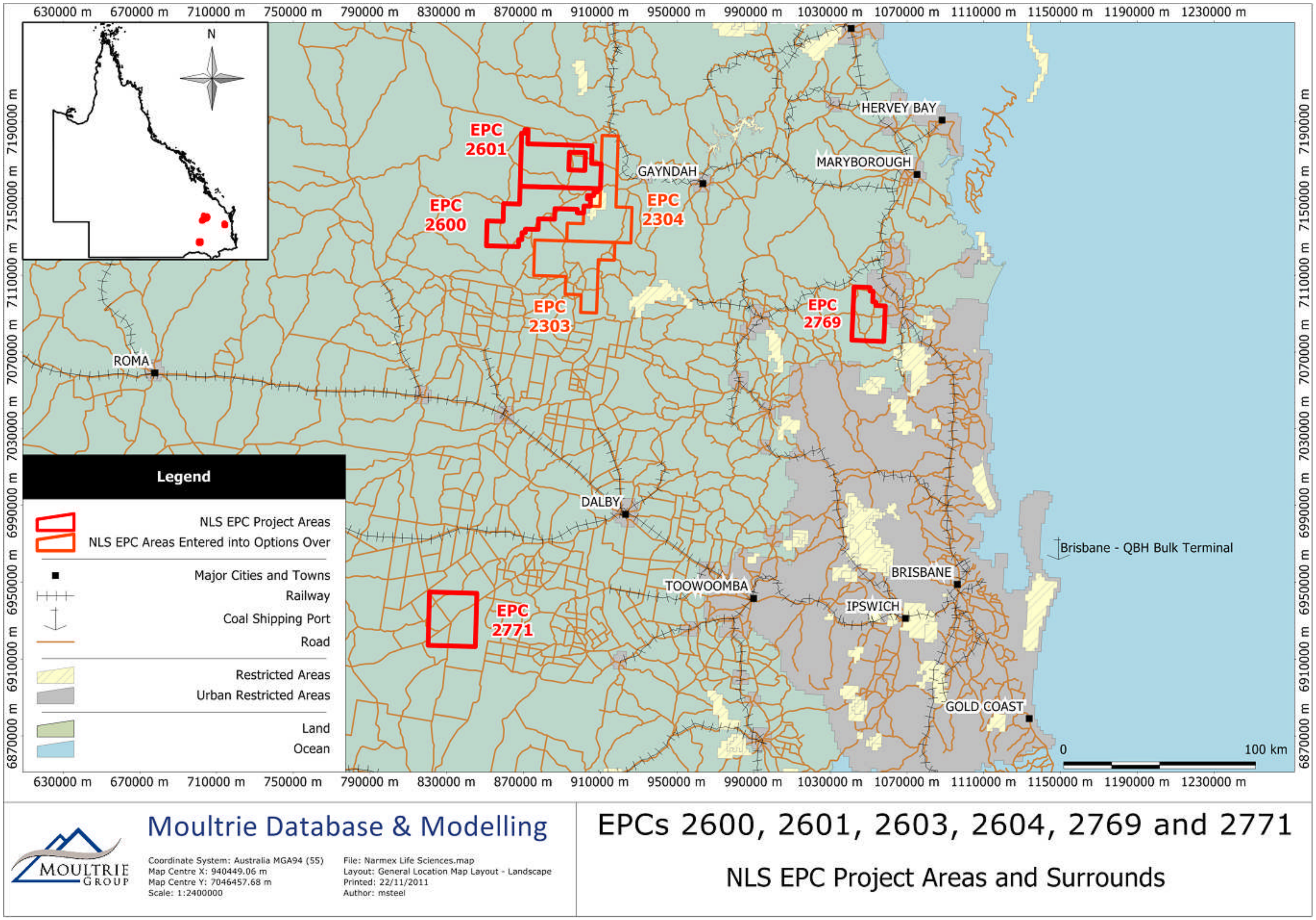
Narhex will immediately undertake a detailed geological review of the different tenements as a precursor to determining its next activities and whether it wishes to proceed to exercise the Options. If it were to exercise its Options, Narhex is aware that this may be seen as a change of nature and scale of its current activities and may require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Yours faithfully

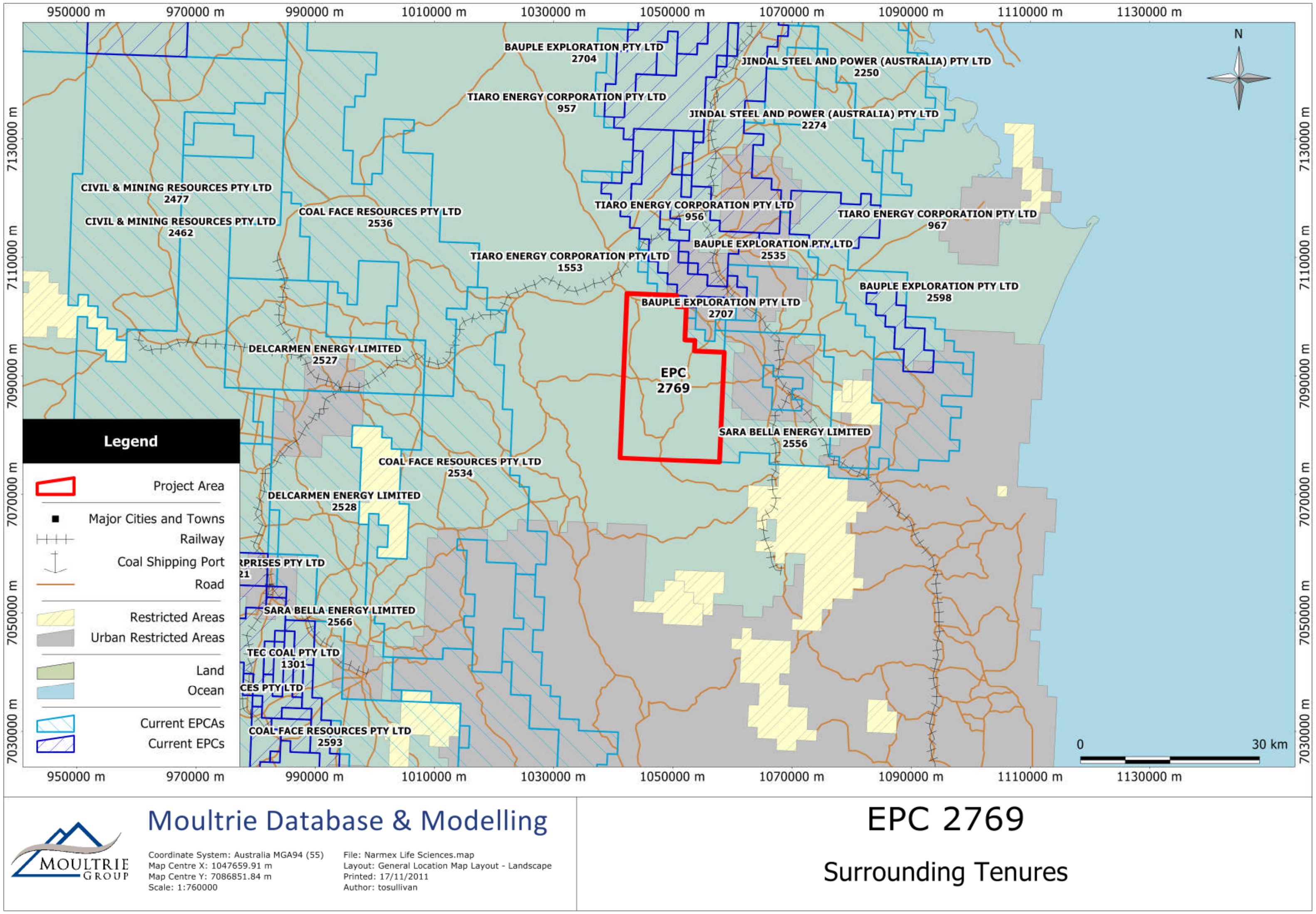
Simon Lill
Director
Narhex Life Sciences Limited

Competent Person's Statement - The information in this report that relates to mineral resources is based on information compiled by Mr Mark Biggs who is a Member of the Australasian Institute of Mining and Metallurgy (#107488). Mr Mark Biggs is employed full time by Moultrie Database & Modelling and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mark Biggs has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

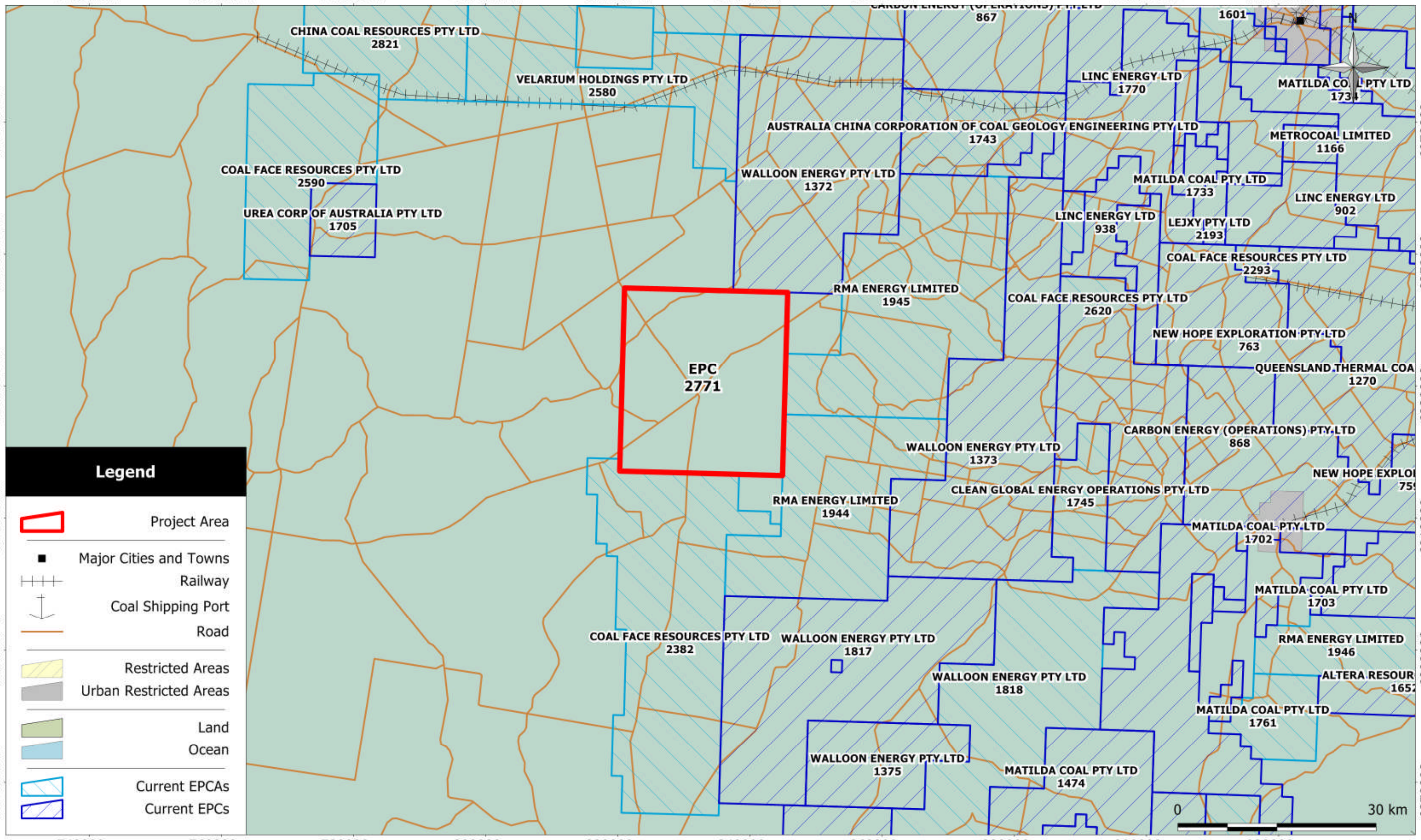
MAP ONE – OVERALL OPTION INTEREST IN TENEMENTS



MAP TWO – EPC 2769 GLASTONBURY (COALPLAY)



MAP THREE – EPC 2771 MOONIE PROJECT (COALPLAY)



Moultrie Database & Modelling

MOULTRIE GROUP

Coordinate System: Australia MGA94 (55)
Map Centre X: 833998.58 m
Map Centre Y: 6924895.03 m
Scale: 1:760000

File: Narmex Life Sciences.map
Layout: General Location Map Layout - Landscape
Printed: 17/11/2011
Author: tosullivan

EPC 2771

Surrounding Tenures

MAP FOUR – EPCA 2600 AND 2601 BBY COAL (SHOWING TENEMENTS ALREADY UNDER OPTION, EPCA 2303 AND 2304)