



Narhex Life Sciences Ltd

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Thursday 27th December 2012

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

Dear Sir,

Narhex Enters Heads of Agreement to Acquire Liberian Gold and Diamond Project

The Directors of Narhex Life Sciences Limited ("**Narhex**" or the "**Company**") are pleased to announce that they have entered into a Letter Agreement ("**Agreement**") with Golden Saint Australia Limited ("**GSA**" or "**Seller**") to acquire its interest in Golden Saint Liberia Limited ("**GSL**"), a Liberian registered company that is the registered holder and beneficial owner of 80% of mining tenements in Liberia, namely Block 71 – The Grand Cape, and Block 72 – Mount Henry/Gengba. The other 20% of the tenements are owned by Target Resources Limited of Liberia, the former owners of the Tenements.

The Projects

The Grand Cape (Block 71)

A 401 km² block approximately 30km north-north-east of Bopolu, near Henry Town in Gbarpolu County and includes the Loffa River.

Mount Henry (Block 72)

A 103 km² block about 51km north-west of Bopolu on the border of Sierra Leone in Grand Cape Mount County and includes the Gbeye and Morro Rivers.

Prospectivity

Both tenements are located in sub-equatorial northern part of Liberia on the Mann Craton. The region is characterised by a gently undulating landscape that has well developed lateritic soils over an Archaean gneissic terrain containing remnants of slightly younger supracrustal sediments which include banded iron-formations and volcanics in narrow SW-NE trending belts. These belts are prospective sites for later stages of gold mineralization. There is limited historical exploration recorded on the Golden Saint tenements, but artisanal workers have been actively recovering both gold and diamonds from the stream beds and hills for over 50 years.



During the 1960's and 1970's the United States Geological Services and the Liberian Government began geological mapping of the country (including Blocks 71 & 72) at a scale of 1:250,000. Subsequent mapping noted the presence of mineralization in the area and these were used to initiate exploration on surrounding properties.

However, no systematic work has been done on Blocks 71 & 72.

Both Blocks are targets for primary and secondary gold and diamond occurrences. In the artisanal workings, gold is associated mainly with quartz veins in addition to sedimentary gold along streams. Diamonds are also being recovered in the stream systems. This indicates prospectivity for kimberlites because the Man Craton is a known host of diamondiferous kimberlites which can report high grades, high quality and larger stone sizes.

Block 72 is also in proximity to Aureus Mining's New Liberty Gold Project, which is about 30km to the south. The New Liberty Gold Project contains a total resource of 1.736M ounces (651,000 t @ 4.77 g/t measured, 9,145,000 @ 3.55g/t indicated and 5,730,000 @ 3.2g/t inferred).

About Liberia

A military coup in 1980 marked the beginning of political and economic instability with two successive civil wars that left approximately 250,000 people dead and devastated the country's economy. A 2003 peace deal led to democratic elections in 2005. Liberia is recovering from the lingering effects of the civil war and related economic dislocation, with about 85% of the population living below the international poverty line.

Liberia is bordered by Sierra Leone on the west, Guinea to the north and Cote d'Ivoire to the east. Geologically it is dominated by the Man Craton of Archaean age and with great structural similarities to the Birimian Craton in which fall most of West Africa's major gold mines. The mineralisation is concentrated within sheared ultramafic komatiitic talc schists, typical of Archaean greenstone belts elsewhere in the world. The shear zones are almost vertical and the sheared ultramafic rocks appear to be continuous throughout the known strike length of the mineralisation. Granite gneiss and amphibolite make up the hanging wall and foot wall respectively. Metallurgical tests of the mineralised sections carried out by Lakefield Research indicate that the gold in these formations is free in form.

Acquisition Terms

- A non-refundable deposit of \$50,000 is to be paid;
- Narhex is to conduct a due diligence in relation to the Company and the Tenements (including a Geological Review of the Tenements) before May 1 2013;
- If the Due Diligence results are acceptable the Parties are to enter into a formal Share Purchase Agreement ("SPA") by June 1 2013;
- A further \$50,000 is payable on Execution of the SPA;
- Narhex, on obtaining shareholder approval for the transaction, and recomplying with Chapters 1 and 2 of the ASX Listing Rules, would issue Performance Shares to the Seller that would convert to ordinary shares on attaining the following milestones:

Milestone Event (JORC Compliant Resources)	Number of Shares to be Issued
1. 250,000 ounces @ > 2g/t	50,000,000
2. 500,000 ounces @ > 2g/t	50,000,000
3. 1,000,000 ounces @ > 2g/t	100,000,000
4. 1,500,000 ounces @ > 2g/t	100,000,000



5. 2,500,000 ounces @ > 2g/t	300,000,000
6. 3,000,000 ounces @ > 2g/t	300,000,000
Potential Total Shares to be Issued	900,000,000

The shares will most likely require consolidation to re-comply with Chapters 1 and 2, and the Performance Shares to be issued will be consolidated in accordance with that ratio.

The Buyer agrees to spend a minimum of \$5,000,000 on, or in relation to, the Tenements in order to acquire 100% of the issued capital of GSA, with the Seller Transferring a proportional interest to the Company as follows:

- 25% of the Shares upon the Buyer having incurred \$1,250,000 in relation to the Tenements;
- 25% of the Shares upon the Buyer having incurred \$2,500,000 in relation to the Tenements;
- 25% of the Shares upon the Buyer having incurred \$3,750,000 in relation to the Tenements; and
- 25% of the Shares upon the Buyer having incurred \$5,000,000 in relation to the Tenements.

The Sellers are also entitled to Nominate 2 persons to the Board of Directors on completion of the transaction. At the date of this announcement the Sellers have not advised who their nominees are likely to be.

Recompliance With Chapters 1 And 2 of the ASX Listing Rules

Following execution of the SPA the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to finalising the acquisition. Narhex will call a meeting of shareholders, at which the shareholders will be asked to vote on the proposal to acquire GSA. If the shareholders approve the transaction to acquire GSA, the Company's shares will be suspended from trading on the ASX until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied.

Proposed Timetable for Recompliance

	Date*
Completion of Due Diligence	1 May 2013
Execution of Share Sale Agreement	1 June 2013
Dispatch of Notice of Meeting	1 July 2013
Meeting of Shareholders to Approve Acquisition	1 August 2013
Results announced and suspension of Company's Shares from trading on ASX	1 August 2013
Lodgment of Prospectus with ASIC	2 August 2013
Closure of Prospectus	30 August 2013
Satisfaction of all Requirements of Chapters 1 & 2	7 September 2013
Reinstatement to Trading	10 September 2013

* The above dates are indicative only and are subject to change. The Company will keep shareholders updated on the timing of the implementation of the transaction as it progresses



Prospectus Capital Raising

Narhex will prepare and issue a prospectus to raise sufficient funds to enable the recompliance with Chapters 1 & 2 of the ASX Listing Rules. The capital raising will be conducted at a minimum of \$0.20 per share in accordance with the requirements of Chapters 1 & 2 of the ASX Listing Rules. Funds raised will be used to conduct exploration of the properties to be acquired, and to cover the ongoing administration costs of the Company.

Indicative Capital Structure

	Number of Shares (Pre-Reconstruction)	Number of Shares (Post -Reconstruction)
Current Issued Capital	430,105,242	21,505,262
Shares to be issued in capital raising, completed as part of the recompliance with Chapters 1 & 2 of the ASX Listing Rules	500,000,000	25,000,000
Total Shares on Issue following Completion and Recompliance	930,105,242	46,505,262
Potential shares to be issued under the Share Sale Agreement (subject to satisfaction of Milestones)	900,000,000	45,000,000
Total Issued Shares assuming Milestones satisfied	1,830,105,242	91,505,262

NB The above table shows the Company's pre and post reconstruction capital structure. The Company will most likely need to reconstruct its capital structure in order to comply with Chapters 1 and 2 of the ASX Listing Rules which require a capital raising at \$0.20 per share. The above Table is based on a share price of \$0.01 immediately prior to the issuance of the requisite Notice of Meeting, and consequently a reconstruction ratio of one share for every 20 held. However if the share price is at a high price prior to the issuance of the Notice of Meeting then the reconstruction ratio will be reduced accordingly. The Consideration Shares and shares to be issued under the capital raising will also be adjusted by the same ratio.

The above Table also contemplates a capital raising of \$5M which is consistent with its expenditure commitment under the Letter Agreement. Not all of that capital will be required to be raised to comply with Chapters 1 and 2, and there may be a lesser – or greater – amount raised.

It should also be noted that in order to reach the Milestones shown on page 3, the Company may need to expend additional funds on exploration above those contemplated in the capital raising above. The funding of that exploration may be through further issues of shares in the Company which will increase the total number of shares on issue.

Due diligence and Risk Factors

The Company will undertake a due diligence process in relation to the acquisition of GSA. Whilst this process is undertaken to identify or eliminate material risks in relation to GSA, its subsidiary and the tenements, it should be noted that following completion GSA will be subject to the usual risks associated with mineral exploration.

Simon Lill

Director

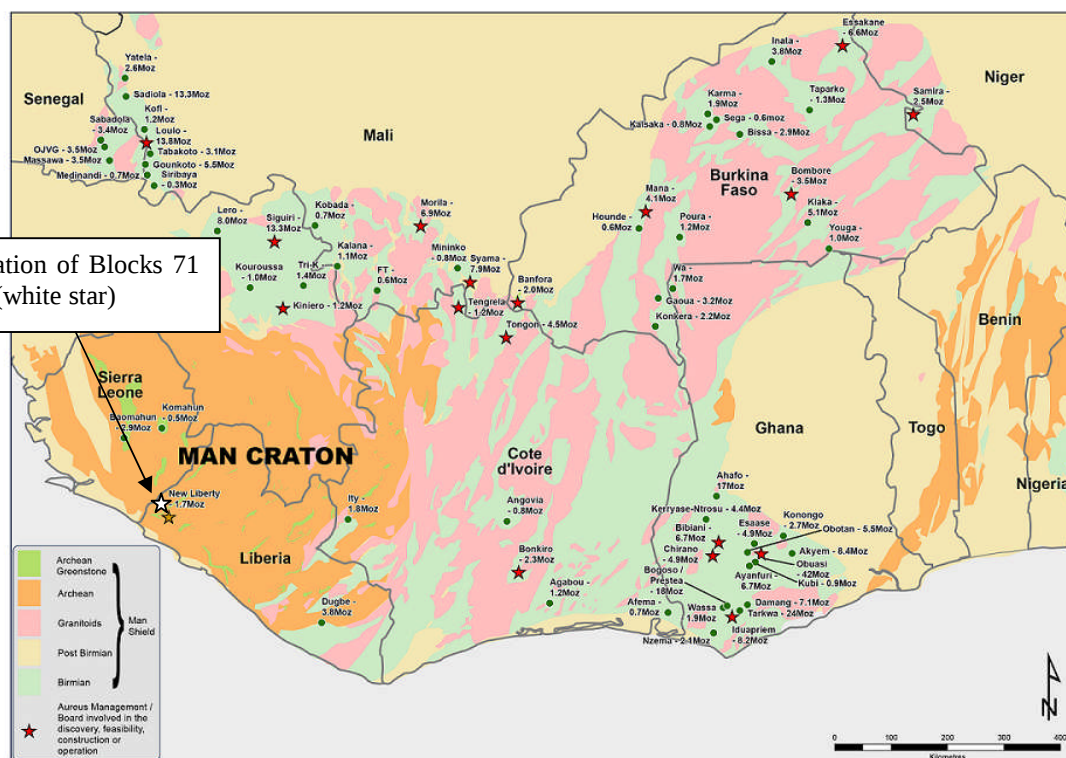
27 December 2013



Competent Persons Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled and reviewed by Dr. Rob Ramsay, (BScHons, MSc, PhD) who is a Member of the Australian Institute of Geoscientists. Rob Ramsay is a Consulting Geologist to Narhex Life Sciences Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposits 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". Dr. Ramsay 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.

Location of Blocks 71 and 72



(Map Source – Aureus Mining – www.aureus-mining.com)