Narhex Life Sciences Ltd

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ABN: 51 094 468 318

6 August 2014

Jill Hewitt
Senior Adviser, Listing Compliance (Perth)
ASX Compliance Pty Ltd
Level 40 Central Park
152-158 St Georges Tce
PERTH WA 6000

Dear Jill

Narhex Life Sciences Limited ("Company")

We refer to your letter dated 1 August 2014 in relation to the Company's Quarterly Report and respond as follows.

1. ***Question 1:*** *It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in accessing the Company's position?*

   Response 1: As previously announced the Company has entered into Heads of Agreement to acquire Golden Saint Liberia Limited and 75% of the issued capital of Golden Saint Minerals Guniee SA. The Company understands that it will require re-compliance with Chapters 1 and 2 of the ASX Listing Rules, including a capital raising to meet the ASX requirements as well as having enough capital to meet the Company's business objectives through the two years following re-compliance. Whilst these transactions remain on foot, the due diligence processes have been delayed for a number of reasons including in-country issues such as the outbreak of the Ebola virus in Liberia and Guinea.

   The Directors are conscious of the low cash balance as at 30 June 2014. Non critical expenditure has been suspended, until such stage as capital issues have been resolved. The Company has received a Letter of Support confirming that Trident Capital Pty Ltd ("**Trident**") is in the process of finalising a mandate whereby Trident will on a best endeavours basis, be raising up to $500,000 capital on behalf of the Company.

2. ***Question 2:*** *Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?*

   Response 2: No, refer to Response 1.

3. ***Question 3:*** *What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

   Response 3: Please refer to Response 1.

4. ***Question 4:*** *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

   Response 4: Yes, the Company confirms it is in compliance with the listing rules, and in particular listing rule 3.1.

5. ***Question 5:*** *Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.*

   Response 5: The Company believes it is in compliance with listing rule 12.2 owing to the matters set out in Response 1.

Yours faithfully

Nicki Farley
Company Secretary

ASX Compliance Pty Limited
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1 August 2014

Ms N Farley
Company Secretary
Narhex Life Sciences Limited

By email: *nicki@tridentms.com.au*

Dear Nicki

Narhex Life Sciences Limited ("Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2014, released to ASX Limited ("ASX") on 31 July 2014 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of $0.
2. Net negative operating cash flows for the quarter of $(71,000).
3. Cash at end of quarter of $37,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email to **jill.hewitt@asx.com.au**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00 p.m. W.S.T. on Wednesday, 6 August 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[*sent electronically without signature*]

Jill Hewitt
Senior Adviser, Listings Compliance(Perth)