



**Narhex Life Sciences Limited
ACN 094 468 318**

**Notice of Annual General Meeting
And
Explanatory Statement**

**Annual General Meeting of Shareholders to be held at
the offices of Trident Capital of Level 24, 44 St Georges
Terrace, Perth, Western Australia at 2.00pm (WST) on
Wednesday, 26 November 2014.**

Important

This Notice should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Narhex Life Sciences Limited ACN 094 468 318 (**Company**) will be held at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia commencing at 2.00pm (WST) on Wednesday, 26 November 2014.

Business

Item 1 – Annual Report

To receive and consider the Annual Report of the Company for the year ended 30 June 2014 which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2014 be adopted.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
 - (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
 - (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,
- unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

Resolution 2 – Re-election of Mr Adam Sierakowski as a Director

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

“That Mr Adam Sierakowski, who was appointed as a Director by the Board on 20 December 2013 and in accordance with clause 13.2 of the Company's Constitution holds office until this Annual General Meeting, and who is eligible and offers himself for re-election, is re-elected as a Director.”

Resolution 3 – Re-election of Dr Robert Ramsay as a Director

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

“That Dr Robert Ramsay, who was appointed as a Director by the Board on 20 December 2013 and in accordance with clause 13.2 of the Company's Constitution holds office until this Annual General Meeting, and who is eligible and offers himself for re-election, is re-elected as a Director.”

Resolution 4 – Re-election of Mr Cyril D’Silva as a Director

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

“That Mr Cyril D’Silva, who retires by rotation in accordance with clause 16.1 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”

Resolution 5 – Ratification of Issue of Shares under Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 54,612,057 Shares to Sophisticated and Professional Investors under the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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 6 – Ratification of Issue of Shares -Tranche 1 of Capital Raising

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 50,000,000 Shares to Sophisticated and Professional Investors under the on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any 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 7 – Approval of issue of Shares – Tranche 2 of Capital Raising

To consider and if thought fit, pass with or without amendment the following resolution as an **ordinary resolution**:

“That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given to issue of up to 100,000,000 Shares at an issue price of \$0.005 per

Share to Exempt Investors under the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue the subject of this Resolution and a person who might obtain a benefit, except solely in the capacity of a holder of Shares, and any associate of such person.

However, the Company need not disregard any 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 8 – Approval of issue of Options under Capital Raising

To consider and if thought fit, pass with or without amendment the following resolution as an **ordinary resolution**:

“That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given to issue of up to 75,000,000 Options exercisable at \$0.01 and expiring on 31 December 2016 under the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue the subject of this Resolution and a person who might obtain a benefit except solely in the capacity of a holder of Shares, and any associate of such person.

However, the Company need not disregard any 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 9 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totaling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting exclusion

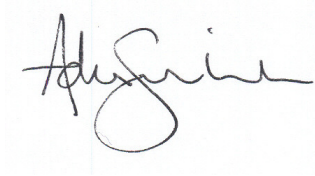
The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

Other business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

By Order of the BoardA handwritten signature in black ink, appearing to read 'A. Sierakowski', is written over a light blue grid background.

Adam Sierakowski
Director
Narhex Life Sciences Limited
21 October 2014

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary.

1. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

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

- (a) post to Narhex Life Sciences Limited, c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australia 6000; or
- (b) facsimile to the Company on (08) 9218 8875.

so that it is received by no later than 2.00pm (WST) on Monday, 24 November 2014. Proxy Forms received later than this time will be invalid.

2. Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Monday, 24 November 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

3. Item 1 – Annual Report

The Annual Report, comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2014, 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 audits;
- preparation and content of the Auditor's Report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audits.

In addition to taking questions at the Annual General 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 Report or the conduct of the audit, may be submitted no later than 5 business days before the date of the Annual General Meeting to the Company Secretary at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA 6000, or by facsimile to +61 8 9218 8875.

The Company's Annual Report is available on the Company's website at www.narhex.com.au.

4. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2014 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management 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 adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is “advisory only” resolutions which does not bind the Directors. Under section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company’s 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting (**Spill Meeting**) to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company’s 2015 annual general meeting. All of the Directors who are in office when the Company’s 2014 Directors’ Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

5. Resolution 2 – Re-election of Mr Adam Sierakowski as a Director

In accordance with clause 13.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at, and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Adam Sierakowski is a lawyer and founding director of the legal firm Price Sierakowski. He has over 17 years’ experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. He is the co-founder and director of Perth based corporate advisory business, Trident Capital, where he has for years advised a variety of large private and public companies on structuring their transactions and coordinating fundraising both domestically and overseas.

Mr Sierakowski has held a number of board positions with ASX listed companies and is currently a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.

The Directors (excluding Mr Sierakowski) unanimously recommend that Shareholders vote in favour of Resolution 2. Resolution 2 is an ordinary resolution.

6. Resolution 3 – Re-election of Dr Robert Ramsay as a Director

In accordance with clause 13.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at, and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Dr Ramsay is a geologist with over 30 years’ experience working with Rio Tinto, Striker Resources, Mineral Securities Ltd and several junior explorers. During 20 years with Rio Tinto and Striker Resources, Dr Ramsay specialized in diamond exploration and the

assessment of diamond-pipe prospectivity using indicator-mineral geochemistry. Most recently Dr Ramsay was the Senior Project Geologist with Speewah Metals Ltd where he was responsible for the planning and implementation of drilling programmes from discovery through to a JORC compliant resources of 4.7Billion tonnes on the V- Ti – magnetite along with mapping and drilling of an epithermal, vein style deposit of fluorite adjacent to the V-Ti -magnetite deposit leading to the expansion of a JORC compliant resource of 6.7Mt.

The Directors (excluding Dr Ramsay) unanimously recommend that Shareholders vote in favour of Resolution 3. Resolution 3 is an ordinary resolution.

7. Resolution 4 – Re-election of Mr Cyril D'Silva as a Director

In accordance with clause 16.1 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Cyril D'Silva retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Cyril D'Silva is a Singapore-born entrepreneur, with extensive working experience and a network of business contacts in the South East Asia region. He is currently the Executive Chairman of Golden Saint Resources Ltd (BVI) which was listed on 19th July on AIM. Cyril is also the Executive Chairman of Golden Saint Australia Limited and a director for both Golden Saint Liberia Ltd (in Liberia) and Golden Saint Resources Africa (in Sierra Leone). Through Golden Saint Capital Pte Ltd (Singapore) Cyril has raised funds for the initial mining ventures in Sierra Leone and Liberia. Cyril is currently based in Perth, Western Australia.

The Directors (excluding Mr D'Silva) unanimously recommend that Shareholders vote in favour of Resolution 4. Resolution 4 is an ordinary resolution.

8. Resolution 5 – Ratification of Issue of Shares under Placement

On 27 November 2013, the Company announced that it had completed the placement raising \$546,120.57 from sophisticated and/or professional investors.

Shareholder approval is sought to ratify the 54,612,057 Shares previously issued under the Placement and referred to in Resolution 5.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous

issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 5 for the purposes of Listing Rule 7.4:

- (a) A total of 54,612,057 Shares were issued.
- (b) The Shares had an issue price of \$0.01 per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares issued under the Placement were issued to sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. None of these investors are related parties of the Company.
- (e) Funds raised were used for working capital, continued assessment of the Company's West African opportunities and assess other assets.

9. Resolution 6 – Ratification of Share Issue – Tranche 1 of Capital Raising

As announced on 2 October 2014, the Company has entered into a binding Heads of Agreement with ResApp Diagnostics Pty Ltd ("**ResApp**") to acquire 100% of ResApp, an Australian based medical device company.

Pursuant to the Heads of Agreement the Company agreed to raise up to \$750,000 at \$0.005 by issuing 150,000,000 shares in two tranches ("**Capital Raising**").

The Tranche 1 of the Capital Raising is due to be completed during October 2014 with the Company issuing 50,000,000 Shares under the Company's placement entitlement pursuant to Listing Rules 7.1 and 7.1A.

Tranche 2 of the Capital Raising will raise up to \$500,000 by issuing 100,000,000 Shares subject to Shareholder Approval the subject of Resolution 7.

In addition, any investor who is allotted shares in the Capital Raising is entitled to be issued a free attaching Option to acquire ordinary shares in the Company on the basis of one option for every 2 shares subscribed for in the Capital Raising. The free attaching Options shall be exercisable at \$0.01 and have an expiry date of 31 December 2016 and will be issued subject to Shareholder Approval the subject of Resolution 8.

Resolution 6 seeks Shareholder Approval for the ratification of 50,000,000 Shares, assuming that 50,000,000 Shares have been issued prior to the Annual General Meeting under Tranche 1 of the Capital Raising.

In the event the Shares have not been issued prior to the Annual General Meeting, Resolution 6 will not be put to Shareholders at the meeting.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that eligible entities may, subject to shareholder approval by special resolution, issue equity securities up to 10% of its issued capital over a period of 12 months after the annual general meeting. Shareholder approval was obtained pursuant to Listing Rule 7.1A on 27 November 2013. As a result Tranche 1 being 50,000,000 Shares is within the Company's Listing Rules 7.1 and 7.1A placement capacity.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. In addition, approval of Resolution 1 will refresh the additional 10% placement capacity provided under Listing Rule 7.1A which was utilised in undertaking the Placement.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 6 for the purposes of Listing Rule 7.4:

- (a) A total of 50,000,000 Shares were issued.
- (b) The Shares had an issue price of \$0.005 per Share.
- (c) The Shares issued rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares were issued to sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. None of these investors are related parties of the Company.
- (e) Funds raised will be used for general working capital, commercial due diligence and assessment of the Company's West African opportunities.

10. Resolution 7 - Approval of the Issue Shares under Capital Raising

As noted above, the Company agreed to raise up to \$750,000 at \$0.005 by issuing up to 150,000,000 shares in two tranches.

The Company was to issue 50,000,000 Shares under Tranche 1 of the Capital Raising (as referred to in Resolution 6).

Shareholder approval is also sought for the issue up to 100,000,000 Shares to raise \$500,000 under the Tranche 2 Placement and referred to in Resolution 7.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.3 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 7 for the purposes of Listing Rule 7.1:

- (a) A maximum of 100,000,000 Shares are to be issued.
- (b) The Shares will be issued as soon as possible after the Meeting and will be issued on one date, no later than 3 months after the Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules).
- (c) The Shares will have an issue price of \$0.005 per Share.
- (d) The Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (e) The Shares will be issued to sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. The Shares will not be issued to related parties of the Company.
- (f) Funds raised will be used for general working capital, commercial due diligence and continued assessment of the Company's West African opportunities, costs associated with the ResApp transaction and re-compliance with chapters 1 & 2 of the ASX Listing Rules.

11. Resolution 8 - Approval of the Issue of Options under Capital Raising

As noted above, the Company agreed to issue 1 free attaching Option for every 2 Shares subscribed for in the Capital Raising. The Options shall be exercisable at \$0.01 and have an expiry date of 31 December 2016 and will be issued subject to Shareholder Approval the subject of Resolution 8.

Shareholder approval is sought for the issue up to 75,000,000 Options under the Capital Raising and referred to in Resolution 8.

Listing Rules

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.3 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 7 for the purposes of Listing Rule 7.1:

- (a) A maximum of 75,000,000 Options are to be issued.

- (b) The Options will be issued as soon as possible after the Meeting and will be issued on one date, no later than 3 months after the Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules).
- (c) The Options will be issued for nil consideration, being free attaching Options to the Shares issued under the Capital Raising.
- (d) The Options are exercisable at \$0.01 and have an expiry date of 31 December 2016. Full terms of the Options are set out in Annexure A.
- (e) The Options will be issued to investors who are issued Shares in the Capital Raising on the basis of one free attaching Option for every two Shares issued.
- (f) No funds will be raised from the issue of the Options.

12. Resolution 9 - Approval of 10% Placement Facility

12.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c) below).

The Board believes that Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

12.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a **special resolution** at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the only quoted Equity Securities that the Company has on issue are its 484,729,407 Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12

month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (“**10% Placement Period**”).

12.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 ASX trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0025 50% decrease in Market Price	\$0.005 Current Market Price	\$0.01 100% increase in Market Price
Current Variable A 484,729,407	10% Voting Dilution	48,472,940 Shares	48,472,940 Shares	48,472,940 Shares
	Funds raised	\$121,182	\$242,365	\$484,729
50% increase in current Variable A 727,094,110	10% Voting Dilution	72,709,410 Shares	72,709,410 Shares	72,709,410 Shares
	Funds raised	\$181,774	\$363,547	\$727,094
100% increase in current Variable A 969,458,814	10% Voting Dilution	96,945,881 Shares	96,945,881 Shares	96,945,881 Shares
	Funds raised	\$242,367	\$484,729	\$969,458

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The issue price is \$0.005, being the closing price of Shares on the ASX on 20 October 2014.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;

- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 27 November 2013.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) During the 12 months preceding the date of the meeting the Company issued a total of 104,612,057 Shares (including the Shares for Tranche 1 of the Capital Raising), representing 21.58% of the shares on issue at the commencement of that 12 month period.

Date of issue	(i) Placement – 19 December 2013 (ii) Tranche 1 Capital Raising – October 2014
Number issued	(i) Placement – 54,612,057 Shares (ii) Tranche 1 Capital Raising – 50,000,000 Shares
Class of Security	Ordinary Fully paid
Persons who received securities	Sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act.
Price (per Share)	(i) December Placement – \$0.01 per Share (ii) Tranche 1 Capital Raising – \$0.005 per Share
Discount to market	Nil
Non cash consideration	Not applicable
Current value	Not applicable
Total cash consideration	\$796,120
Amount of cash spent	Approximately 68.59% of the total placement funds have been spent.
Use of cash	Funds raised have been used for general working capital and the continued assessment of the Company's West African opportunities

Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings:

Annual General Meeting	the annual general meeting convened by this Notice.
Annual Report	the Company's annual report for the year ended 30 June 2014 comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.
Board	the board of Directors.
Capital Raising	has the meaning given in section 9 of the Explanatory Statement.
Chairman	the chair of the Annual General Meeting.
Closely Related Party	a closely related party of a member of Key Management Personnel as defined in section 9 of the Corporations Act, being: (a) a spouse or child of the member; (b) a child of that member's spouse; (c) a dependant of that member or of that member's spouse; (d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company; (e) a company that is controlled by that member; or (f) any other person prescribed by the regulations.
Company	Narhex Life Sciences Limited ACN 094 468 318.
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Explanatory Statement	the explanatory statement incorporating this Notice.
Key Management Personnel	the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, broadly including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Notice	the notice of annual general meeting accompanying the Explanatory Statement.
Option	an option to acquire a Share on the terms set out in Annexure A.
Placement	has the meaning given in section 8 of the Explanatory Statement.
Proxy Form	the proxy form attached to this Notice.
Remuneration Report	the section of the Directors' Report in the Annual Report of the Company entitled "Remuneration Report".
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
WST	Western Standard Time, being the time in Perth, Western Australia.

Annexure A – Terms of Options

The Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2016 (**Expiry Date**).

(c) **Exercise Price**

Each Option will have an exercise price equal to \$0.01 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

Narhex Life Sciences Limited
ACN 094 468 318
Proxy Form

I/We

of

being a member of Narhex Life Sciences Limited ACN 094 468 318 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

☐

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 2.00pm (WST) on Wednesday, 26 November 2014 at the offices of Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 1 if the Chairman is your proxy or is appointed as your proxy by default

If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the meeting (to extent permitted by law) to exercise my/our proxy in respect of Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel of Narhex Life Sciences Limited, which includes the Chairman of the Meeting.

If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the relevant boxes in the section below.

The Chairman intends to vote undirected proxies in favour of each Resolution, to the extent permitted by law

OR

Voting on Business of the Annual General Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report – 2014 Annual Report	☐	☐	☐
Resolution 2	Re-election of Mr Adam Sierakowski as a Director	☐	☐	☐
Resolution 3	Re-election of Dr Robert Ramsay as a Director	☐	☐	☐
Resolution 4	Re-election of Mr Cyril D'Silva as a Director	☐	☐	☐
Resolution 5	Ratification of Share Issue – Placement	☐	☐	☐
Resolution 6	Ratification of Share Issue – Tranche 1 Capital Raising	☐	☐	☐
Resolution 7	Approval to Issue Shares – Tranche 2 Capital Raising	☐	☐	☐
Resolution 8	Approval to Issue Options – Capital Raising	☐	☐	☐
Resolution 9	Approval of 10% Placement Capacity	☐	☐	☐

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for 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

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. 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)** If you have not already lodged the Power of Attorney with the Company's share registry, 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) does not have a company secretary, as 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.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- post to the Company at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australian 6000; or
- facsimile to the Company on (08) 9218 8875,

so that it is received by no later than 2.00pm (WST) on Monday, 24 November 2014.

Proxy Forms received later than this time will be invalid.