

Narhex Life Sciences Limited ACN 094 468 318 , to be renamed:

ResApp Health Limited



Replacement Prospectus

Offers

1. For an offer of up to 200,000,000 Shares (on a post-Consolidation basis) at a price of \$0.02 each to raise up to \$4,000,000 before costs (**Public Offer**), the Public Offer is subject to a Minimum Subscription requirement to raise at least \$2,500,000.
2. For an offer of 18,749,999 Shares (on a post-Consolidation basis) to the Facilitators (**Facilitation Offer**).
3. For an offer of 93,750,000 Shares and 93,750,000 Performance Shares (both on a post-Consolidation basis) to the ResApp Vendors and UniQuest (**Vendor Offer**) for the acquisition of all the shares in ResApp Diagnostics Pty Ltd.

(Together, the **Offers**).

Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules following a change to the nature and scale of the Company's activities.

Conditional Offers

The Offers are conditional upon certain events occurring. Please refer to Section 1.4 for further information.

The Offers are not underwritten.

IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Replacement Prospectus.

Any investment in the Company under this Replacement Prospectus should be considered speculative in nature and prospective investors should be aware that they may lose some or all of their investment.

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IMPORTANT INFORMATION

Prospectus

This Replacement Prospectus is dated 26 May 2015 and was lodged with ASIC on that date. It replaces an earlier prospectus dated 8 May 2015. ASIC, ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

Securities will not be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offers must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Shares;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

Any investment in the Company should be considered speculative. Refer to Section 6 of this Prospectus for details relating to risk factors. Applicants should read this document in its entirety and persons considering applying for Shares pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

The offer of Shares made pursuant to this Prospectus is not made to persons to whom, or places in which, it would not be lawful to make such an offer of securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

The ASX has advised the Company that the Proposed Acquisition will constitute a change to the nature and scale of the Company's activities. Pursuant to ASX Listing Rule 11.1.3, the ASX therefore requires the Company to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the ASX Listing Rules, as well as for the purpose of raising funds under the Public Offer.

Conditional Offer

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their application monies without interest.

Please refer to Section 1.4 for further details on the conditions attaching to the Offers.

The Offers remain conditional on, amongst other things, completion taking place under the Share Sale and Purchase Agreement.

Changes In Activities and Suspension From Trading

The Company is currently listed on ASX. In accordance with the Listing Rules, its Shares will be suspended from trading on ASX immediately prior to the General Meeting to be held on 27 May 2015. At the General Meeting, the Shareholders will be asked to approve the change in the nature and scale of the Company's activities as a consequence of the Proposed Acquisition.

The Company's shares may not be reinstated to ASX. For further information see Section 1.5.

Electronic Prospectus

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company at +61 8 6211 5099 and the Company will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.narhex.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Please refer to Section 6 for details relating to risk factors.

Consolidation

Unless otherwise stated, all references in this Prospectus are made on the basis that the 3 for 8 Consolidation, for which Shareholder approval will be sought at the General Meeting to be held on 27 May 2015, has taken effect.

Miscellaneous

All references to “\$”, “A\$”, “AUD”, “dollar” and “cents” are references to Australian currency unless otherwise stated. All references to “US\$” and “USD” are references to the currency of the United States of America unless otherwise stated.

All references to time relate to the time in Perth, Western Australia unless otherwise stated.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 12.

CORPORATE DIRECTORY

Existing Board

Mr Adam Sierakowski
Dr Robert Ramsay
Mr Chris Ntoumenopoulos

Proposed Board

Dr Roger Aston
Mr Adam Sierakowski
Mr Chris Ntoumenopoulos
Dr Tony Keating

Company Secretary

Nicki Farley

Registered Office

C/- Trident Capital
Level 24, St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

Share Registry*

Link Market Services Limited
Central Park
Level 4, 152 St Georges Terrace
PERTH WA 6000

Auditor to the Company

Somes Cooke
Level 2, 35 Outram Street
WEST PERTH WA 6005

Auditor to ResApp

Bentleys (WA) Pty Ltd
Level 1, 12 Kings Park Road
WEST PERTH WA 6005

Corporate Advisor

Trident Capital
Level 24, St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

Legal Advisor

Price Sierakowski Corporate
Level 24, St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Intellectual Property Expert

Wrays
56 Ord Street
WEST PERTH WA 6005

ASX Code

Current: NLS
Proposed: RAP

Website

Company: www.narhex.com.au

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

LETTER FROM THE BOARD

Dear Investor

On behalf of the board of directors of Narhex Life Sciences Limited (**Company**), I am pleased to present this Prospectus to you.

The Company is looking forward to working toward the development and commercialisation of the ResApp technology for the purpose of providing health care solutions to assist doctors and consumers diagnose respiratory disease. The vision of deploying a simple technology on a platform that is easily accessible through Mobile Health Apps via App Stores is an exciting one.

With hospital based clinical trials already underway the ResApp technology has the potential to be commercialised in a relatively short period of time and has application to the aggressively growing US telehealth sector.

The Company will hold its General Meeting on 27 May 2015, at which time Shareholder approval will be sought of a number of resolutions to give effect to the acquisition of ResApp Diagnostics Pty Ltd (**ResApp**). The resolutions will seek to approve a consolidation of the Company's issued capital on a 3 for 8 basis (**Consolidation**), the acquisition of ResApp from the ResApp Vendors and UniQuest, and the issue of 93,750,000 Shares (on a post-Consolidation basis) and 93,750,000 Performance Shares (on a post-Consolidation basis) to them, a change to the nature and scale of the Company, the issue of 18,749,999 Facilitation Shares (on a post-Consolidation basis) to parties who introduced the acquisition to the Company, and the raising of up to \$4,000,000 by the issue of 200,000,000 shares at \$0.02 each via this Prospectus.

The Public Offer pursuant to this Prospectus is subject to the conditions set out in Section 1.4. The Vendor Offer and Facilitation Offer are not subject to any conditions.

Details about the risks of an investment of this type are contained in Section 5 of this Prospectus. It is recommended that you consider the terms of the Offers contained in this Prospectus. If you then choose to invest in the Company, I welcome you as a Shareholder.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', with a large, stylized loop at the end.

Adam Sierakowski
Chairman
Narhex Life Sciences Limited
26 May 2015

KEY OFFER DETAILS

Key financial information	
Offer Price per Share	\$0.02 per Share (for the Public Offer)
Shares to be offered under the Public Offer	
- Assuming Minimum Subscription	125,000,000 Shares
- Assuming Full Subscription	200,000,000 Shares
Cash raised under the Public Offer (before expenses)	
- assuming Minimum Subscription	\$2,500,000
- assuming Full Subscription	\$4,000,000
Shares to be offered pursuant to the Vendor Offer	93,750,000 Shares and 93,750,000 Performance Shares
Cash proceeds of the Vendor Offer	Nil
Shares to be offered pursuant to the Facilitation Offer	18,749,999 Shares
Cash proceeds of the Facilitation Offer	Nil
Total number of Shares on issue before the Offers (pre-Consolidation)	664,729,407 Shares
Total number of Shares on issue before the Offers (post-Consolidation)	249,273,527 Shares
Total number of Shares on issue following the Offers:	
- assuming Minimum Subscription	486,773,526 Shares
- assuming Full Subscription	561,773,526 Shares

Note: Except where noted the figures shown above assume that the Consolidation has occurred, that none of the existing Placement Options are exercised, that the proposed placement of 10,000,000 Placement Shares (on a post-Consolidation basis) has been made to Trident Capital before the Offers, and that the Milestone is not achieved so that the Performance Shares do not convert into Shares. Exact figures may be subject to the rounding effects of the Consolidation. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company.

There will also be 33,750,000 Placement Options on issue with the terms set out in section 10.3, and on completion of the Proposed Acquisition 20,000,000 Incentive Options will be issued to Dr Tony Keating with the terms set out in section 10.4.

Indicative timetable	
Lodgement of this Prospectus with ASIC	26 May 2015
Opening Date for the Offers	27 May 2015
General Meeting of the Company	27 May 2015
Closing Date for the Offers	12 June 2015
Dispatch of holding statements	26 June 2015
Expected date for Shares to be reinstated to trading on ASX	3 July 2015

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	Narhex Life Sciences Limited ACN 094 468 318 (Company) (to be renamed “ResApp Health Limited”) is an Australian incorporated company listed on ASX. The Company is in the business of mining exploration.	Section 2
What is the Proposed Acquisition?	The Company intends to acquire 100% of the fully paid ordinary shares in ResApp. ResApp is a privately-held company founded in September 2014. ResApp holds the exclusive license to commercialise intellectual property around technology developed by The University of Queensland that uses sound to diagnose respiratory diseases including; pneumonia, bronchitis, chronic obstructive pulmonary disease and asthma. ResApp was formed to commercialise this technology by developing the world’s first clinically-tested, regulatory-approved respiratory diagnostic application for smart devices.	Section 2
What is the Company’s strategy?	Following the completion of the Proposed Acquisition, the Company’s strategy is to focus on ResApp’s business, and increase the commercialisation of ResApp’s product in both Australia and overseas.	Section 2.1
What are the Offers?	By this Prospectus, the company is undertaking three conditional offers of the Shares as follows: - Public Offer - an offer inviting the general public to apply for up to 200,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.02 each to raise up to \$4,000,000 before expenses of the Public Offer, the Public Offer is subject to a Minimum Subscription requirement to raise at least \$2,500,000. - Facilitation Offer – an offer of 18,749,999 Shares (on a post-Consolidation basis) to the	Section 1

Topic	Summary	More information
	Facilitators, made up as follows: ○ Trident Capital Pty Ltd (Trident Capital) and/or its nominee(s) (as to 9,375,000 Facilitation Shares on a post-Consolidation basis) ○ Seamist Enterprises Pty Ltd (Seamist) and/or its nominee(s) (as to 6,250,000 Facilitation Shares on a post-Consolidation basis); ○ SOBOL Capital Pty Ltd (SOBOL Capital) and/or its nominee(s) (as to 2,109,375 Facilitation Shares on a post-Consolidation basis); and ○ and CPS Capital Group Pty Ltd (CPS Capital) and/or its nominee(s) (as to 1,015,624 Facilitation Shares on a post-Consolidation basis) • Vendor Offer – an offer of 93,750,000 Shares (on a post-Consolidation basis) and 93,750,000 Performance Shares (on a post-Consolidation basis), to the ResApp Vendors and UniQuest as consideration for the acquisition of all the shares in ResApp.	
What are the conditions of the Offers?	The Offers are conditional upon the following events occurring: • the Company raising the minimum subscription being \$2,500,000 under the Public Offer; • Shareholders approving the Resolutions put to them at the General Meeting to be held on 27 May 2015; • completion of the Proposed Acquisition; and • ASX approving the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules. If any of the conditions are not satisfied then the Offer will not proceed, any Shares issued under this Prospectus will be deemed void and the Company will repay all Application Monies.	Section 1.4
Why are the Offers being conducted?	The purposes of the Offers are to: • meet the requirement that the Company re-complies with the ASX's admission	Section 1.6

Topic	Summary	More information
	requirements in accordance with Chapters 1 and 2 of the ASX Listing Rules; • provide funding for the purposes outlined in section 1.6; • provide ResApp with access to equity capital markets for future funding needs; and • enhance the public and financial profile of ResApp and the Company.	
Proposed Acquisition		
What are the key terms of the Proposed Acquisition?	The key terms of the Proposed Acquisition are as follows: Completion of the sale and purchase of 100% of the ordinary shares in ResApp pursuant to the Share Sale Agreement is due to occur 7 business days following the satisfaction or waiver of the latest condition to be satisfied or waived. The conditions to be satisfied or waived are: • The Company being satisfied with its due diligence enquiries in respect of ResApp. • ResApp and UniQuest being satisfied with their due diligence enquiries in respect of the Company. • The Company obtaining all regulatory and Shareholder approvals. • The Company completing a capital raising of at least \$2,500,000, as contemplated by the Public Offer in this Prospectus; • The ResApp Vendors and UniQuest obtaining all regulatory and Shareholder approvals. • As the Company is required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules, ASX providing the Company with a list of conditions reasonably acceptable to the ResApp Vendors and the Company which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX.	Sections 2.1 and 9.3(a)

Topic	Summary	More information
	<i>Completion</i> At Completion of the Share Sale Agreement, the Company has agreed to issue Vendor Shares to the Vendors and UniQuest and Facilitation Shares to the Facilitators under this Prospectus. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Dr Robert Ramsay will resign as a Director.	
What approvals will be sought at the General Meeting?	• Capital Consolidation: The Company consolidating its issued capital on a 3 for 8 basis. • Change in nature and scale: The Company changing the nature and scale of its activities as a result of the Proposed Acquisition, from a mining exploration company to a respiratory disease diagnosis and management smart phone application technology company. • Approval of Performance Shares: The Company approving the Performance Shares. • Issue of Shares and Performance Shares to the ResApp Vendors and UniQuest: The Company issuing the 250,000,000 Consideration Shares (on a pre-Consolidation basis) and the 250,000,000 Performance Shares (on a pre-Consolidation basis) to the ResApp Vendors and UniQuest in consideration of acquiring 100% of the securities in ResApp. • Public Offer: The Company offering up to 200,000,000 Shares to the public under this Prospectus to raise up to \$4,000,000 before costs. • Issue of Facilitation Shares to Related Parties: The Company issuing 25,000,000 Facilitation Shares (on a pre-Consolidation basis) to Trident Capital Pty Ltd (and/or its nominees) and 5,625,000 Facilitation Shares (on a pre-Consolidation basis) to SOBOL Capital Pty Ltd (and/or its nominees) under this Prospectus. • Issue of Facilitation Shares to Non-	Section 2.3

Topic	Summary	More information
	Related Parties: The Company issuing 16,666,667 Facilitation Shares (on a pre-Consolidation basis) to Seamist Enterprises Pty Ltd (and/or its nominees) and 2,708,333 Facilitation Shares (on a pre-Consolidation basis) to CPS Capital Group Pty Ltd. • Ratification of Placement Shares and Placement Options issued to Sophisticated Investors: the Company ratifying the previous issues to sophisticated investors of 10,000,000 Placement Shares (on a pre-Consolidation basis) on 19 December 2014 and 60,000,000 Placement Shares (on a pre-Consolidation basis) on 24 March 2015. • Issue of Placement Options to Sophisticated Investors: the Company issuing 30,000,000 Placement Options to sophisticated investors. • Issue of Placement Shares and Placement Options to Trident Capital Pty Ltd: the Company issuing 10,000,000 Placement Shares and 5,000,000 Placement Options to Trident Capital (both on a pre-Consolidation basis). • Change of name: The Company changing its name from “Narhex Life Sciences Limited” to “ResApp Health Limited”. • Appointment of Dr Tony Keating as Director: The appointment of Dr Tony Keating as a Director of the Company. • Approval of Issue of Incentive Options to Dr Tony Keating: the Company issuing 20,000,000 Incentive Options to Dr Tony Keating.	
Why is the Company required to re-comply with Chapters 1 and 2 of the ASX Listing Rules	The Company received in-principle advice from the ASX that the Proposed Acquisition will constitute a change in the nature and scale of the Company’s activities under ASX Listing Rule 11.1. As a result, the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules, being the admission requirements of the ASX, in addition to seeking the approval of Shareholders to	Section 2.1

Topic	Summary	More information
	the Proposed Acquisition. The Offers are therefore conditional on the Company receiving approval from the ASX that it has re-complied with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules. If the ASX does not approve the Company's re-compliance with the ASX's admission requirements, the Offers will not proceed, no Shares will be issued pursuant to this Prospectus and the Company will repay all Application Monies received.	
Summary of key risks		
Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 6 for a more detailed summary of the risks.		
Reinstatement to the official list of ASX	The Company's securities will be suspended prior to the General Meeting. It is anticipated that the Company's securities will remain suspended until completion of the Proposed Acquisition, Offers and Consolidation, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from quotation.	Section 1.5
No trading history	ResApp has no trading history and there is therefore uncertainty in relation to the business of ResApp and investors should consider ResApp's prospects in light of its limited financial history. In addition, there is no guarantee that ResApp will be able to successfully develop or commercialise its products and if it is unable to do so it will not be able to realise significant revenues in the future.	Section 6.1(c)
Special reputational risks	ResApp operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about ResApp may have a disproportionate effect on ResApp's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to	Section 6.1(b)

Topic	Summary	More information
	regulatory inquiries. This could negatively impact on ResApp's profitability.	
Clinical testing	The Licensed IP must still undergo further clinical studies and those tests and trials may show that it does not work in a safe and effective manner. The Company intends to conduct clinical studies of the Licensed IP in the future, but there can be no guarantee that relevant regulatory agencies such as the FDA (Food and Drug Administration in the U.S.A.) or the TGA (Therapeutic Goods Administration in Australia) or other regulatory agencies will allow the Company to undertake such trials and/or the development and approval process may take longer, cost more than expected and may result in the Licensed IP not producing a viable diagnostic product.	Section 6.1(n)
Commercialization risk	There is a risk that ResApp will not be able to successfully commercialize or sell its products, or be unable to attract sufficient customers to be sufficiently profitable to fund future operations.	Section 6.1(o)
Intellectual Property Protection	The possible future commercial success of the Licensed IP may rely upon the ability to obtain and maintain patent protection and there is no guarantee that the claims and applications in respect of the Licensed IP will be found to be valid and enforceable or that all of the patent applications will be granted. The defence and prosecution of intellectual property rights are costly and time consuming and their outcome is uncertain. Further, ResApp does not own the Licensed IP, but rather has limited contractual rights as sub-licensee under the Sub-Licence. Even with granted patent protection, the patents could be partially or wholly invalidated following challenges by third parties. The grant of a patent does not guarantee validity of that patent since it may be revoked on the ground of invalidity at any time during its life. If none of the claims of a granted patent are valid, the patent is unenforceable.	Section 6.1(p)
Competition and new technologies	The industry in which ResApp is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While ResApp will undertake all reasonable due diligence in its business decisions and operations, ResApp will have no influence or control over the activities or actions of its competitors, whose activities or	Section 6.1(a)

Topic	Summary	More information
	actions may positively, or negatively affect the operating and financial performance of ResApp's business. For instance, new technologies could overtake the advancements made by ResApp's products. In that case, ResApp's revenues and profitability could be adversely affected.	
Reliance on key personnel	The commercial development of the Licensed IP has been in large part due to the talent, effort, experience and leadership of Tony Keating while an employee of UniQuest Pty Ltd. Tony Keating has signed a contract to join ResApp as Managing Director and Chief Executive Officer on completion of the Transaction. There is no assurance that Tony Keating's contract will not be terminated or will be renewed on the expiry of its term. In addition, there is no assurance that Tony Keating would remain healthy and able to continue in his role. If his contract were terminated or breached, or if the Tony Keating were no longer to continue in his role, ResApp would need to employ alternative staff, and ResApp's operations and business would be adversely affected.	Section 6.1(d)
Reliance on key researcher and the University of Queensland	The research and development of the License IP has been in large part due to the talent, effort, experience and leadership of Associate Professor Udantha Abeyratne. Associate Professor Abeyratne will continue developing the Licensed IP as an employee of UQ and ResApp expects to continue to fund this development at UQ. There is no assurance that Associate Professor Abeyratne will continue to be an employee of UQ. In addition, there is no assurance that Associate Professor Abeyratne would remain healthy and able to continue in his current role. ResApp has entered into one research agreement with UQ to fund the further development of the Licensed IP and intends to enter into further research agreements as contemplated by the Sub-Licence Agreement. There is no assurance that those additional research agreements will be secured or that the research agreements will not be terminated. If such contracts were terminated or breached, ResApp would need to find alternative means of performing the development work, and ResApp's operations and business would be	Section 6.1(e)

Topic	Summary	More information
	adversely affected.	
Risks associated with the regulatory environment	ResApp is based in Australia and is subject to Australian laws and regulations. For example, ResApp is required to comply with <i>Therapeutic Goods Act 1989</i> (Cth). If ResApp expands into other markets, for example the United States of America, then ResApp will be subject to United States laws and regulations. Users, competitors, members of the general public or regulators could allege breaches of the legislation. This could result in remedial action or litigation, which could potentially lead to ResApp being required to pay compensation or a fine. ResApp's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon ResApp's profitability. In addition, if regulators took the view that ResApp had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to ResApp and consequent impact upon its revenue.	Section 6.1(i)
Foreign exchange risks	If ResApp has costs and expenses in other jurisdictions, such as the United States of America or Europe, then they will likely be denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. ResApp could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.	Section 6.1(l)
Proposed use of funds and other key terms of the Offer		
What is the proposed use of funds raised under the Offer?	The Company intends to apply the funds raised from the Offer as set out in Section 1.7.	Section 1.7
Will the Company be	The Directors are satisfied that on completion of the	Section 1.7

Topic	Summary	More information
adequately funded after completion of the Offer?	Offer, the Company will have sufficient working capital to carry out its stated objectives.	
What are the key dates of the Offer?	Lodgement of this Prospectus with ASIC: 26 May 2015 Opening Date for Offer: 27 May 2015 Closing Date for Offer: 12 June 2015 Dispatch of holding statements: 26 June 2015 Expected date for Shares to be reinstated to trading on ASX: 3 July 2015 The above dates are indicative only and may change without notice.	“Key Offer Details”
What rights and liabilities attach to the Shares being offered?	All Shares (other than the Performance Shares) issued under the Offers will rank equally in all respects with existing Shares on issue (on a post-Consolidation basis). The rights and liabilities attaching to the Shares are described in Section 10.1. The rights and liabilities attaching to the Performance Shares issued under the Vendor Offer are described in Section 10.2. Upon the Milestone being achieved, the Performance Shares will convert into Shares which will rank equally in all respects with existing Shares on issue.	Sections 1 and 10.1
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 1.9
Will the Shares issued under the Offers be listed?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of the Shares on the ASX under the new code, “RAP”.	Important Information
What are the tax implications of investing in Shares under the Offers?	The tax consequences of any investment in Shares will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 1.20
What is the Company’s dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the ResApp business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the	Section 1.17

Topic	Summary	More information
	operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.	
How do I apply for Shares under the Offers?	Applications for Shares under the Offers must be made by completing an Application Form and, for the Public Offer, must be accompanied by a cheque in Australian dollars for the full amount of the application being the number of Shares applied for multiplied by \$0.02 per Share. Cheques must be made payable to "Narhex Life Sciences Limited" and should be crossed "Not Negotiable".	Section 1.10
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful applicants by post on or about 26 June 2015.	Section 1.10
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and applications for Shares can be directed to the Company on +61 8 6211 5099.	Section 1.21
Board and management		
Who are the Directors of the Company?	The Existing Directors of the Company are: • Mr Adam Sierakowski; • Dr Robert Ramsay; and • Mr Chris Ntoumenopoulos. On completion of the Offers, changes will be made to the Board, with the retirement of Dr Robert Ramsay and the appointment of the Proposed Directors, so that the Board will then comprise: • Dr Roger Aston; • Mr Adam Sierakowski; • Mr Chris Ntoumenopoulos; and • Dr Tony Keating.	Sections 8.2 and 8.3
Who are the key management personnel?	From completion of the Proposed Acquisition, the key management personnel of the Company will include: • Dr Tony Keating – Managing Director and Chief Executive Officer	Section 8.3

Topic	Summary	More information
What are the significant interests of Directors?	The interests of the Existing Directors and Proposed Directors are detailed in Section 8.4. The security holdings of the Existing Directors and Proposed Directors are set out in Section 8.5.	Sections 8.4 and 8.5
Miscellaneous		
What material contracts are the Company and ResApp a party to?	The material contracts of the Company comprise: • Share Sale Agreement with ResApp; • Loan Agreement; • Employment Agreement with Tony Keating; • Trident Mandate; and • Deeds of Access, Indemnity and Insurance. ResApp is party to the following material contracts: • UniQuest Licence Agreement; • Research Agreement; and • Loan Agreement.	Section 9
What is the financial position of the Company and ResApp?	Following the change in the nature of its activities, the Company will be focused on developing the ResApp business. Therefore, the Company's past operational and financial performance will not be of significant relevance to future activities. Section 1.1 contains historical financial information for ResApp.	Sections 1.1
Will any Shares be subject to escrow?	No Shares issued under the Public Offer will be subject to escrow. Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares, Performance Shares and Options in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement.	Section 1.13

1. DETAILS OF THE OFFERS

1.1 The Public Offer

By this Prospectus, pursuant to the Public Offer the Company offers up to 200,000,000 Shares (on a post-Consolidation basis) at an offer price of \$0.02 per Share to raise funds of up to \$4,000,000 (before expenses). The Public Offer is open to the general public.

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally in all respects with the existing fully paid ordinary shares in the Company (on a post-Consolidation basis). The rights and liabilities attaching to the Shares are further described in Section 10.1 of the Prospectus.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.10 for further details and instructions.

The minimum level of subscription for the Public Offer is 125,000,000 Shares to raise \$2,500,000. No Share will be issued until the minimum subscription has been received. If the Minimum Subscription of the Public Offer has not been achieved within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies in accordance with the Corporations Act.

1.2 Vendor Offer

The Prospectus also includes the Vendor Offer, under which the Company offers 93,750,000 Consideration Shares (on a post-Consolidation basis) and 93,750,000 Performance Shares (on a post-Consolidation basis) to the ResApp Vendors and UniQuest for the acquisition of all the shares in ResApp Diagnostics Pty Ltd.

The Shares to be issued pursuant to the Vendor Offer are of the same class and will rank equally in all respects with the Existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.1 of the Prospectus.

If the Performance Shares convert into Shares upon the Milestone being achieved, then the resultant Shares will be of the same class and will rank equally in all respects with the Existing Shares in the Company.

Applications for Shares under the Vendor Offer may only be made by the ResApp Vendors and UniQuest on the Vendor Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date, and for the following respective numbers of Shares and Performance Shares (on a post-Consolidation basis):

	Consideration Shares	Performance Shares
Tashtech Pty Ltd (ACN 149 379 288)	4,500,000	4,500,000
Seamist Enterprises Pty Ltd (ACN 133 740 655)	3,750,000	3,750,000
Walani Pty Ltd (ACN 161 171 571)	3,750,000	3,750,000
Brian Leedman and Natasha Leedman	18,750,000	18,750,000
Dr Bruce Willoughby Leedman	3,000,000	3,000,000
Phillip John Coulson	9,375,000	9,375,000
Newtonmore Biosciences Pty Ltd (ACN 107 684 284) as trustee for the Newtonmore Superannuation Fund	8,437,500	8,437,500
UniQuest Pty Ltd (ACN 010 529 898)	42,187,500	42,187,500

Persons wishing to apply for Shares under the Vendor Offer should refer to Section 1.10 for further details and instructions. No Application Monies are payable under the Vendor Offer.

1.3 **Facilitation Offer**

The Prospectus also includes the Facilitation Offer.

The Shares to be issued pursuant to the Facilitation Offer are of the same class and will rank equally in all respects with the Existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.1 of this Prospectus.

Applications for Shares under the Facilitation Offer may only be made by Trident Capital and/or its nominee(s) (for 9,375,000 Shares on a post-Consolidation basis), Seamist and/or its nominee(s) (for 6,250,000 Shares on a post-Consolidation basis), SOBOL Capital and/or its nominee(s) (for 2,109,375 Shares on a post-Consolidation basis) and CPS Capital (for 1,015,624 Shares on a post-Consolidation basis) on the Facilitation Vendor Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Facilitation Offer should refer to Section 1.10 for further details and instructions. No Application Monies are payable under the Facilitation Offer.

1.4 **Conditional**

The Offers under this Prospectus are conditional upon the following events occurring:

- the Company raising the minimum subscription being \$2,500,000 under the Public Offer (refer to Section 1.1);

- Shareholders approving the Resolutions to be put to them at the General Meeting to be held on 27 May 2015 (refer to Section 2.3);
- completion of the Proposed Acquisition (refer to Section 2.1); and
- ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX upon the satisfaction of Chapters 1 and 2 of the Listing Rules (refer to Section 1.5).

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.

1.5 Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

At the General Meeting, the Company will seek Shareholder approval for, among other things, a change in the nature and scale of the Company's activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company will be suspended from trading from the time of the General Meeting and will not be reinstated until the Company has satisfied the conditions to the Offers, including re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received.

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.6 Purpose of the Offers

The purposes of the Offers are to:

- meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the ASX Listing Rules;
- provide funding for the purposes outlined in section 1.7;
- provide ResApp with access to equity capital markets for future funding needs; and
- enhance the public and financial profile of ResApp and the Company.

1.7 Proposed use of funds

The Company intends to use the funds raised under the Public Offer as follows:

Proposed use of funds raised				
	Minimum Subscription (\$2,500,000)		Full Subscription (\$4,000,000)	
	Amount (\$)	%	Amount (\$)	%
Expenses of the Capital Raising (including capital raising fees)	\$298,000	11.9%	\$390,000	9.8%
Product development	\$430,000	17.2%	\$743,500	18.6%
Clinical trials and R&D	\$850,000	34.0%	\$1,500,000	37.5%
Sales and marketing	\$44,500	1.8%	\$100,000	2.5%
Corporate and administration	\$650,000	26.0%	\$989,000	24.7%
Working capital	\$227,500	9.1%	\$277,500	6.9%
Total	\$2,500,000	100%	\$4,000,000	100%

Note: Corporate and Administration expenses include management and board fees, accounting and legal fees, ASIC and ASX fees, insurance, rent and other expenses.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or share placements will be considered by the Board where it is appropriate to accelerate a specific project.

It is possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to any required shareholder approvals).

1.8 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Proposed Acquisition is as follows:

Pro Forma Capital Structure		
Shares	\$2,500,000	\$4,000,000
Shares on issue prior to the Offers	249,273,527	249,273,527
Shares to be issued to ResApp Vendors and UniQuest	93,750,000	93,750,000
Maximum number of Shares to be issued on Capital Raising	125,000,000	200,000,000
Facilitation Shares to be issued to Related Parties	11,484,375	11,484,375
Facilitation Shares to be issued to Non-Related Parties	7,265,624	7,265,624
Total Shares on issue following completion and recompliance	486,773,526	561,773,526

Options	\$2,500,000	\$4,000,000
Placement Options on issue prior to the Offers	33,750,000	33,750,000
Incentive Options to be issued to Dr Tony Keating	20,000,000	20,000,000
Total Options on issue following completion and recompliance	53,750,000	53,750,000

Notes:

1. The above tables assume that the Milestone is not achieved so that the Performance Shares do not convert into Shares.
2. The above tables also assume that all resolutions are passed at the General Meeting approving, amongst other things, the issue of the Performance Shares to Trident Capital, the issue of the Performance Options, the issue of the Incentive Options to Tony Keating and the other issues of Shares.
3. All of the figures in the above tables are on a post-Consolidation basis.

1.9 No underwriting

The Public Offer is not underwritten.

1.10 Applications

Applications for Shares under the Offers can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) and then in increments of 25,000 Shares (\$500). No brokerage, stamp duty or other costs are

payable by applicants. Cheques must be made payable to “Narhex Life Sciences Limited” and should be crossed “Not Negotiable”. All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to, or posted to, the following address:

Delivered to:

Narhex Life Sciences Limited
c/- Trident Capital
Level 24, St Martin's Tower
44 St Georges Terrace
PERTH WA 6831

Mailed to:

Narhex Life Sciences Limited
c/- Trident Capital
PO Box Z5183
St Georges Terrace
PERTH WA 6831

Applicants are urged to lodge their Application Forms as soon as possible as the Public Offer may close early without notice.

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

1.11 Allocation and allotment of Shares

The Directors reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Public Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk.

1.12 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

1.13 Escrow arrangements

Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares, Performance Shares and Placement Options in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The securities likely to be subject to escrow are the Shares and Performance Shares, the Placement Options and some of the Placement Shares to be issued to ResApp Vendors, UniQuest and promoters of the Company (as defined in the ASX Listing Rules).

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the ASX Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares, Performance Shares and Placement Options required to be held in escrow.

1.14 Chess and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the ASX Listing Rules.

1.15 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 6 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.16 Overseas investors

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

1.17 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the ResApp business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

1.18 Forecasts

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

1.19 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies

on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder through contacting the Company or the Share Registry.

1.20 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

1.21 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for shares under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 6211 5099.

2. OVERVIEW OF THE COMPANY AND THE PROPOSED ACQUISITION

2.1 The Company

The Company is an Australian company listed on ASX that was incorporated on 13 September 2000. The Company previously entered into a Heads of Agreement to acquire 75% of the issued capital of Golden Saint Mineral Guinea SA (**GSMG**). GSMG is a Guinea-incorporated company that holds the interest in five permits that cover four projects that are prospective for diamonds, gold and bauxite. Narhex has also completed due diligence activities in relation to the proposed acquisition of Golden Saint Liberia Limited, a Liberian gold and diamond project.

However, due diligence processes have been delayed for a number of reasons and so the Company intends to change the nature and scale of activities undertaken by the Company from mining exploration to respiratory disease diagnosis and management smart phone application technology.

The Company's assets include a loan previously advanced to GSMG for \$290,000 to provide working capital to GSMG. The advance was to be repaid on 30 December 2014 and remains payable, so the Company is seeking repayment.

2.2 Proposed Acquisition

On 2 October 2014 the Company announced to ASX that it had entered into a Heads of Agreement to acquire respiratory disease diagnosis and management smart phone application technology by acquiring all the issued capital of ResApp.

On 20 February 2015 the Company, ResApp, UniQuest and the ResApp Vendors entered into the Share Sale Agreement. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in ResApp, and the ResApp Vendors and UniQuest agreed to sell all of their ordinary shares in ResApp to the Company. In this regard the ResApp Vendors currently hold all of the ordinary shares in ResApp, and UniQuest will become a shareholder of ResApp immediately prior to the ResApp Vendors and UniQuest selling all of their ordinary shares in ResApp to the Company on the Completion Date.

The Company will convene the General Meeting on 27 May 2015 to seek the approval of its Shareholders to, among other things, the acquisition of ResApp and the change in the nature and scale of the Company's business and operations to enable the Company to focus on respiratory disease diagnosis and management smart phone application technology. Please refer to Section 2.3 for further information on the General Meeting.

As a result of the Proposed Acquisition, the Company will change the nature of its activities from mining exploration to respiratory disease diagnosis and management smart phone application technology. Accordingly, ASX has determined that, in order to complete the Proposed Acquisition, the Company must re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX. A primary purpose of this Prospectus is therefore to re-comply with the admission requirements under the ASX Listing Rules.

2.3 General Meeting

The General Meeting will be held on 27 May 2015 to seek Shareholder approval to the following resolutions:

- **Capital Consolidation:** The Company consolidating its issued capital on a 3 for 8 basis. This will reduce the number of Shares on issue, before any issues under the Offers, from 664,729,407 Shares, to approximately 249,273,527 Shares (subject to rounding). This also assumes that no further Shares are issued, no Placement Options are exercised and 10,000,000 Placement Shares are issued to Trident Capital before completion of the Proposed Acquisition – see Section 1.8 for further information).
- **Change in nature and scale:** The Company changing the nature and scale of its activities as a result of the Proposed Acquisition. Upon completion of the Proposed Acquisition, the Company will effectively change from a mining exploration company to a respiratory disease diagnosis and management smart phone application technology company.
- **Approval of Performance Shares:** The Company approving the Performance Shares. Please refer to section 10.2 for the terms of the Performance Shares.
- **Issue of Shares and Performance Shares to the ResApp Vendors and UniQuest:** The Company issuing the 250,000,000 Consideration Shares (on a pre-Consolidation basis) and the 250,000,000 Performance Shares (on a pre-Consolidation basis) to the ResApp Vendors and UniQuest in consideration of acquiring 100% of the securities in ResApp. Takeover approval is being sought as the ResApp Vendors and UniQuest together will hold more than 20% of the voting shares in the Company upon being issued the Consideration Shares and the Performance Shares (if the Performance Shares convert into Shares upon the Milestone being achieved). However, it is not considered that the ResApp Vendors will be associates of one another in relation to the Company following completion.
- **Public Offer:** The Company offering up to 200,000,000 Shares to the public under this Prospectus to raise up to \$4,000,000 before costs.
- **Issue of Facilitation Shares to Related Parties:** The Company issuing 25,000,000 Facilitation Shares (on a pre-Consolidation basis) to Trident Capital Pty Ltd (and/or its nominees) and 5,625,000 Facilitation Shares (on a pre-Consolidation basis) to SOBOL Capital Pty Ltd (and/or its nominees) under this Prospectus.
- **Issue of Facilitation Shares to Non-Related Parties:** The Company issuing 16,666,667 Facilitation Shares (on a pre-Consolidation basis) to Seamist Enterprises Pty Ltd (and/or its nominees) and 2,708,333 Facilitation Shares (on a pre-Consolidation basis) to CPS Capital Group Pty Ltd.
- **Ratification of Placement Shares and Placement Options issued to Sophisticated Investors:** the Company ratifying the previous issues to sophisticated investors of 10,000,000 Placement Shares (on a pre-Consolidation basis) on 19 December 2014 and 60,000,000 Placement Shares (on a pre-Consolidation basis) on 24 March 2015. Please refer to section 10.3 for the terms of the Placement Options.

- **Issue of Placement Options to Sophisticated Investors:** the Company issuing 30,000,000 Placement Options to sophisticated investors.
- **Issue of Placement Shares and Placement Options to Trident Capital Pty Ltd:** the Company issuing 10,000,000 Placement Shares and 5,000,000 Placement Options to Trident Capital (both on a pre-Consolidation basis).
- **Change of name:** The Company changing its name from “Narhex Life Sciences Limited” to “ResApp Health Limited”. The change of name will take effect from the date ASIC records the details of the change.
- **Appointment of Dr Tony Keating as Director:** The appointment of Dr Tony Keating as a Director of the Company.
- **Approval of Issue of Incentive Options to Dr Tony Keating:** the Company issuing 20,000,000 Incentive Options to Dr Tony Keating. Please refer to section 10.4 for the terms of the Incentive Options.

3. INDUSTRY OVERVIEW

3.1 Introduction

ResApp intends to develop and commercialise health care solutions to assist doctors and empower consumers to diagnose respiratory disease.

After obtaining the required regulatory approvals, ResApp intends to enter into partnership agreements with North American and Australian Telehealth providers to integrate ResApp's diagnostic technology into their existing systems.

ResApp also intends to deploy its Mobile Health Apps via App Stores, subject to regulatory approval. Please refer to section 4.4 for further information.

3.2 Overview of respiratory disease

Respiratory diseases are diseases that affect the respiratory system. The respiratory system is made up of the upper respiratory tract consisting of the nose, nasal cavity, paranasal sinuses and pharynx, and the lower respiratory tract consisting of the larynx, trachea, bronchi, bronchioles, alveoli of the lungs, pleura and pleural cavity. Respiratory diseases are typically caused by inflammation such as asthma, cystic fibrosis, chronic obstructive pulmonary disease (**COPD**), bacterial infection or viral infection. Respiratory infections can include either upper respiratory tract infections, such as the common cold, or lower respiratory tract infections such as pneumonia. Other viral infections include influenza, bronchitis and bronchiolitis.

Respiratory symptoms are among the major causes of consultation at primary health care centres globally.

In 2010 the total number of visits to Primary Care Physicians in the US was approximately 1 billion. Of these visits, approximately 100 million resulted in the diagnosis of a respiratory disease.¹

From 1 July 2009 to 30 June 2010, there were over 100 million general practitioner presentations in Australia². According to the joint report by the University of Sydney and the Australian Institute of Health and Welfare regarding general practice activity in Australia 2009-2010, on average general practitioners managed an average of 153 problems per 100 encounters and respiratory problems accounted for 22 problems per 100 encounters.³

For chronic conditions such as COPD or asthma, long term patient management plans need to be implemented to manage the condition. Chronic respiratory conditions pose a unique challenge for healthcare service providers as these conditions are commonly incurable and require long term treatment and management.

Hundreds of millions of people around the world suffer from preventable chronic respiratory diseases.⁴ According to the Australian Health Survey, an estimated 6.3 million Australians

¹ Centers for Disease Control and Prevention, *National Ambulatory Medical Care Survey: 2010 Summary Tables*, Table 12.

² *Annual Medicare Statistics – Financial Year 2007-08 to 2013-2014*.

³ *Australian Institute of Health and Welfare, General Practice Series Number 27*.

⁴ *World Health Organization, Global surveillance, prevention and control of chronic respiratory diseases: a comprehensive approach*.

suffered from a chronic respiratory condition in 2011-2012 (ABS 2012).⁵ An estimated 2.3 million Australians had asthma in 2011-2012 (ABS 2012).⁶ In 2011 an estimated 12.7 million people aged 18 years and over in the United States suffered from COPD⁷ and an estimated 25 million people suffered from asthma⁸.

Different types of respiratory diseases require different forms of treatment. Accordingly, correct diagnosis is important in the effective treatment of respiratory disease.

As a result, a significant opportunity exists for ResApp to develop and commercialise technologies that will improve the diagnosis of respiratory disease.

3.3 Overview of the Telehealth market

Telehealth refers to the use of electronic information and telecommunications technologies by healthcare providers, such as doctors and therapists, to deliver healthcare services to patients (**Telehealth**).

The growth in the availability of high speed internet and improved mobile networks have led to the growth in the Telehealth market as health care providers can deliver healthcare to patients over the internet and mobile networks via electronic means such as video link.

Benefits of Telehealth compared to traditional doctor visits include lower costs, improved convenience and shorter and travel consultation times.

As a result, a significant opportunity exists for ResApp to take advantage of the growth in the Telehealth industry by offering Telehealth providers innovative solutions to assist in the diagnosis of respiratory disease.

3.4 Overview of the Mobile Health App market

Mobile Health Apps include a variety of specialist health software programs that can be downloaded onto a mobile device that is connected through a wireless connection such as a mobile network or Wi-Fi connection. Mobile Health Apps can be purchased from retail outlets known as App Stores. App Stores provide a single location where consumers can search, obtain and download Apps onto their device either free of charge or for a predetermined fee. Mobile Health Apps can be used on various mobile devices such as a Tablet or a Smartphone. Smartphones are a type of mobile phone that offer advanced functionality beyond voice calls and SMS services, including the ability to access the internet and access Apps. Smartphones and Tablets typically contain a range of high quality inbuilt sensors including cameras, microphones, accelerometers, barometers and Global Positioning Satellite (**GPS**) technology which can be harnessed to improve the effectiveness of Mobile Health Apps.

The increased use of Smartphones and Tablets together with the increased access to high speed internet and improved mobile networks has led to the growth in the Mobile Health App market.

⁵ Australian Institute of Health and Welfare, *Chronic respiratory conditions including asthma and COPD*.

⁶ Australian Institute of Health and Welfare, *Chronic respiratory conditions including asthma and COPD*.

⁷ Centers for Disease Control and Prevention. *National Center for Health Statistics. National Health Interview Survey Raw Data, 2011.*

⁸ National Heart, Lung, and Blood Institute, *What is Asthma?*

As a result, a significant opportunity exists for ResApp to offer innovative mobile solutions to assist in the diagnosis of respiratory disease.

3.5 Trends and Key Drivers

A number of trends and key drivers relevant to ResApp's business have been identified, including the following:

- (a) **Prevalence of respiratory disease:** Respiratory disease is widespread and is increasing in prevalence due the ageing global population.
- (b) **High cost of health care:** The high cost of healthcare is resulting in the adoption of new technologies that reduce the cost of healthcare delivery.
- (c) **Faster and more reliable internet networks:** There has been increased availability of broadband internet in recent years resulting in an increase in Telehealth as a means of delivering healthcare.
- (d) **Faster and more reliable mobile networks:** The use of Wi-Fi and improved mobile networks has stimulated the use of Smartphones and Tablets.
- (e) **Availability of Smartphones and Tablets:** The global adoption of Smartphones and Tablets has resulted in more people having access to the internet. This has resulted in greater use of the mobile platform for providing healthcare services.

3.6 Competitive Landscape

ResApp was founded in September 2014. Being an early stage-business, ResApp currently holds no market share. Following completion of the Proposed Acquisition, ResApp will look to accelerate the commercialisation of the technology. Please refer to section 4.4 for further information.

Key competitors include the following providers and products:

- (a) **Telehealth providers:** These providers are currently well established in the United States and typically include large networks of physicians that are available to consult patients via video link. Some established Telehealth providers based in the United States are now scaling-up and entering into partnership agreements with US health industry participants through which the Telehealth provider can gain access to larger patient populations. In Australia, there are fewer Telehealth providers and they are typically less developed then their North American counterparts. Australian Telehealth providers have started offering limited Telehealth products.
- (b) **Fitness and wellness mobile application providers:** These providers include a number of large Smartphone and software development companies, traditional sporting hardware companies and a large number of smaller start-up companies. These providers typically offer activity-tracking wearables and Apps that offer a wide variety of general wellness products including activity-tracking and personal training Apps designed for runners, walkers, cyclists and for weight loss.
- (c) **Disease diagnosis and management mobile application providers:** These providers include Smartphone and software development companies that have launched a variety of platforms primarily to secure health and fitness information storage and sharing. These providers currently offer a variety of diagnostic

products such as for the diagnosis of heart conditions, skin conditions, ear infections and the provision of clinical point of care.

- (d) **Respiratory management providers:** These providers include both private and publicly listed companies in Australia and the United States that offer products including Apps for the management of respiratory disease. Typically, the patient is required to obtain a separate hardware device that connects wirelessly to the Smartphone or Tablet. In contrast, ResApp's technology does not require additional hardware.

4. OVERVIEW OF RESAPP AND ITS BUSINESS

4.1 ResApp

ResApp is a privately-held company founded in September 2014. ResApp holds the exclusive license to commercialise intellectual property around technology developed by The University of Queensland (**UQ**) that uses sound to diagnose respiratory diseases including; pneumonia, bronchitis, COPD and asthma. ResApp was formed to commercialise this technology by developing the world's first clinically-tested, regulatory-approved respiratory diagnostic application for smart devices.

The team at UQ, led by Associate Professor Udantha Abeyratne, has been engaged in extensive research and development of this technology since 2009 and has been funded by UQ and UniQuest as well as the Bill and Melinda Gates Foundation.

Following completion of the Proposed Acquisition, ResApp will look to accelerate the commercialisation of the technology via the funding of further clinical studies in Australia and overseas, the commercial development of consumer-ready apps, engaging with strategic partners (such as telehealth providers and mobile device manufacturers) and performing marketing activities.

ResApp's long-term vision is to empower consumers and their doctors to self-diagnose and manage respiratory disease by providing effective, affordable and practical mobile health apps.

Shareholders should note that ResApp has no trading history and that there are risks, uncertainties, expenses and challenges associated with ResApp being an early-stage business.

4.2 ResApp business

ResApp's technology is based on the premise that cough and respiratory sounds carry vital information on the state of the respiratory tract enabling ResApp to diagnose and measure the severity of a wide range of chronic and acute diseases. Traditionally, doctors have used stethoscopes to listen to the lungs as one of the first indications of a respiratory problem. If a doctor suspects one of the more serious respiratory diseases (such as pneumonia or bronchitis), they may follow up with additional tests such as X-rays, blood tests, CT scans and/or pleural fluid cultures. For asthma and COPD, a spirometry test is normally performed. Our approach is to measure sounds outside the mouth. During respiratory events (e.g. coughs), the lungs are directly connected to the atmosphere via a column of air, which has significantly lower filtering than the traditional pathway across the chest musculature.

ResApp takes a machine learning approach to match cough and respiratory sounds with disease. Machine learning is an artificial intelligence approach that constructs algorithms that can learn from data. In ResApp's approach, signatures (features) are extracted from cough and/or respiratory sounds. These features characterise the respiratory tract and use a training dataset (a database of sound recordings with associated clinical diagnoses) to measure and combine (classify) the features to create a diagnostic test or severity measure of a disease. Importantly, ResApp believes these features to be consistent across the population and not specific to an individual so there is no need for a personalised training dataset.

Over the last five years the research team, led by Associate Professor Abeyratne and based at UQ has pioneered a set of mathematical features and classifier technology to accurately characterise the respiratory tract. Their approach forms a powerful platform for respiratory disease diagnosis and management. The platform is based on sound alone and does not require physical contact with the patient. With modern smartphone technology now integrating high quality microphones, the platform can be delivered without the need for additional hardware.

(a) Diagnosis

In a clinical proof of concept peer-reviewed study of 91 children UQ demonstrated that its platform is capable of classifying childhood pneumonia at a sensitivity greater than 90% and a specificity greater 85% based on cough analysis alone. By augmenting sound-based features with easily obtainable measurements such as the presence of fever and age, UQ was able to increase the specificity to above 95%. In the same study UQ documented that its technology can separate asthma from diseases such as pneumonia, bronchitis and bronchiolitis. UQ also developed technology to classify cough sounds into dry/wet classes, and to automatically extract cough events from a continuous sound recording.

With the availability of additional training datasets, ResApp plans to use the UQ-developed platform to similarly diagnose respiratory diseases in adults such as bronchitis, asthma, pneumonia and chronic obstructive pulmonary disease (COPD) as well as differentiate these diseases from the common cold and influenza.

(b) Disease management

Development projects are underway at UQ to use the Licensed IP for providing severity assessment and management of chronic respiratory disease. Smartphone-ready technology to characterise the severity of diseases can become the cornerstone of a patient-centred management program on chronic respiratory diseases.

Using the Licensed IP, ResApp is developing technology that will not require any special sensors nor physical contact with the patient. In addition ResApp does not plan to limit itself to wheeze rates as its own mathematical features can also be used. ResApp's target is to correlate its feature set to the forced expelled volume (FEV1), the volume of air that can be forced from the lungs after a deep breath, that is measured by spirometry.

4.3 ResApp Intellectual Property

The Licensed IP developed (and owned) by UQ and licensed to ResApp via UniQuest includes patent applications filed in five countries as well as those countries encompassed by the European Patent Convention. The patent applications all claim a priority date of 29/3/2012. The following table summarises the patent applications.

Country	Application Number	Title
Australia	2013239327	A method and apparatus for processing patient sounds
United	14/389291	A method and apparatus for

States		processing patient sounds
Europe	13768257.1	A method and apparatus for processing patient sounds
Japan	2015-502020	A method and apparatus for processing patient sounds
China	201380028268.X	A method and apparatus for processing patient sounds
Korea	10-2014-7030062	A method and apparatus for processing patient sounds

In addition to these patent applications, ResApp has an exclusive license of the know-how (and trade secrets) in the set of mathematical features and classifier technology used for the diagnosis and severity measurement of pneumonia, asthma and COPD developed by the research team at UQ.

An Intellectual Property Expert's Report is included at Section 7.

4.4 **Business model**

ResApp plans to pursue multiple revenue streams in commercialisation of the technology:

(c) **Telehealth partnerships and licensing**

With the telehealth market growing at a rapid rate, partnerships with major telehealth providers would allow ResApp to quickly benefit from these providers' large and growing customer base. ResApp's technology would provide telehealth providers a unique capability that would significantly enhance the breadth of consultations available to their customers and their network of doctors.

ResApp could license the ResApp algorithms to telehealth providers for integration into their existing telehealth systems, could provide an application programming interface (API) into a cloud-hosted service or could provide a standalone application that communicates to the telehealth providers servers.

ResApp would aim to charge a fee per diagnostic test or a monthly subscription fee for chronic disease management.

(d) **Direct app sales to consumers**

After obtaining the required regulatory approvals, ResApp plans to make direct app sales to consumers via app stores such as the Apple AppStore and Google Play. These stores provide a unique opportunity to reach the huge smartphone user market without large distribution or shipping costs.

ResApp expects to charge a small nominal fee for purchasing and downloading the app, however it expects the majority of revenue to come from in-app purchases associated with per diagnostic test, or monthly subscriptions in the case of management of chronic conditions.

(e) **Mobile and wearable device manufacturers and telecoms service providers partnerships and licensing**

By partnering with mobile or wearable device manufacturers, or with telecoms providers, there is the potential for preloading ResApp applications on devices (i.e. the application would be already installed on the device before it reaches the end user). Both of these groups already preload multiple applications via partnerships with applications developers. This would allow ResApp to access a significant installed base, and would potentially provide revenue through preload fees, in-app purchases or monthly subscriptions.

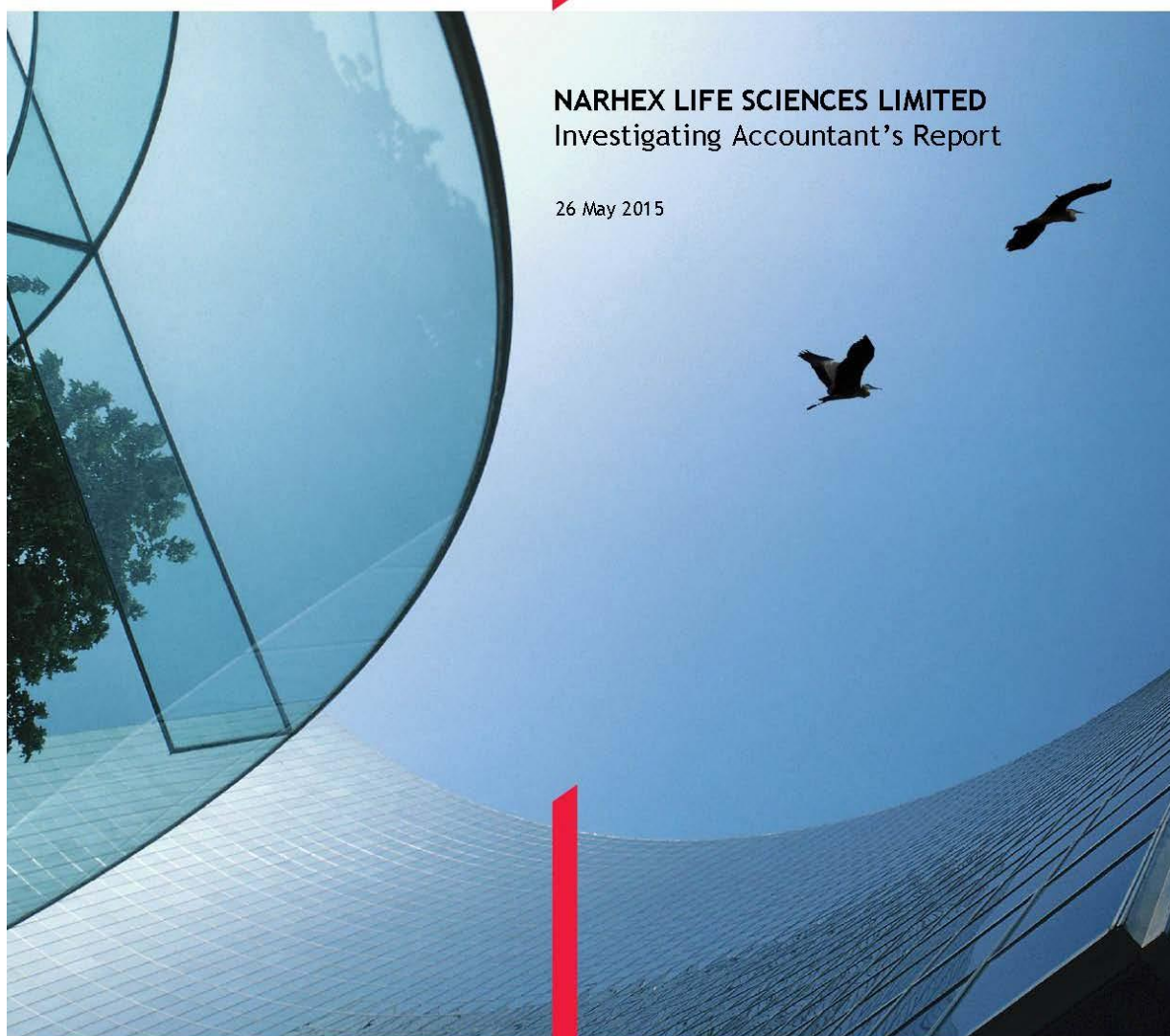
(f) **Partnerships with aid and humanitarian agencies**

To reach the large numbers of potential users in the resource-poor developing world, ResApp plans to partner with global aid and humanitarian agencies who have existing well-developed logistics networks in these regions. These agencies have a critical need for low cost and accurate diagnostic tools that are usable not only by trained medical professionals, but also untrained personnel operating under difficult field conditions. In the license agreement of the Licensed IP from UniQuest to ResApp, ResApp agreed to comply with the Global Access Objectives of the Bill and Melinda Gates Foundation. This requires that the product be made accessible (with respect to cost, quantity and applicability) to the people most in need within the developing countries of the world.

(g) **Big data insights**

Once in wide use, anonymized data collected by ResApp (with the permission of users) could provide unprecedented insight into respiratory conditions for researchers at large pharmaceutical companies, medical device companies, universities, medical research institutes and government agencies. Data could be collated and further analysed by ResApp to provide information on the occurrence, spread and effectiveness of treatment options. This data could be licensed or could be provided through a software-as-a-service.

5. INVESTIGATING ACCOUNTANT'S REPORT





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26 May 2015

The Directors
Narhex Life Sciences Limited
Level 24, 44 St George's Terrace
PERTH WA 6000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Narhex Life Sciences Limited ('Narhex' or the '**the Company**') to prepare this Investigating Accountant's Report ('**Report**') in relation to certain financial information of Narhex, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 200 million Shares at an issue price of \$0.02 each to raise up to \$4 million before costs ('**the Offer**'). The Offer is subject to a minimum subscription level of 125 million shares to raise \$2.5 million.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Narhex included in the Prospectus:

- the reviewed historical Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2014; and
- the reviewed historical Statement of Financial Position as at 31 December 2014.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Narhex for the year ended 31 December 2014, which was reviewed by Somes Cooke in accordance with the Australian Auditing Standards. Somes Cooke issued an unmodified review opinion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (together the **'Pro Forma Historical Financial Information'**) of Narhex included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2014

The Pro Forma Historical Financial Information has been derived from the historical financial information of Narhex, after adjusting for the effects of the subsequent events described in section 6 of this Report and the pro forma adjustments described in section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Narhex to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Narhex's financial position as at 31 December 2014. As part of this process, information about Narhex's financial position has been extracted by Narhex from Narhex's financial statements for the year ended 31 December 2014.

3. Director's responsibility

The directors of Narhex are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of Narhex for the period ended 31 December 2014; and
- the Statement of Financial Position of Narhex as at 31 December 2014,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Narhex as at 31 December 2014;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2014 (all on a post capital consolidation basis):

- The acquisition of ResApp Pty Ltd for the issue of 93.75 million consideration shares and 93.75 million performance shares. The financial information relating to ResApp Pty Ltd has been extracted from the financial statements of ResApp Pty Ltd for the period ended

31 December 2014. ResApp was audited by Bentleys Audit & Corporate (WA) Pty Ltd in accordance with the Australian Auditing Bentleys Audit & Corporate (WA) Pty Ltd issued a modified audit opinion on the financial report on the Financial statements with an Emphasis of matter in relation for ResApp to continue as a going concern ;

- The issue of approximately 18.75 million shares for the facilitation of the transaction; and
- The issue of approximately 26.25 million placement shares and approximately 13.125 million placement options to raise \$350,000 before costs. Costs of the placement are estimated to be \$21,000.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Narhex not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2014, the subsequent events set out in section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 125 million Shares at an offer price of \$0.02 each to raise \$2.5 million before costs pursuant to the Prospectus, based on the minimum subscription; and
- The issue of 200 million Shares at an offer price of \$0.02 each to raise \$4 million before costs pursuant to the Prospectus, based on the maximum subscription;
- Costs of the Offer are estimated to be \$298,000 for the minimum and \$390,000 for the maximum subscription, which are to be offset against the contributed equity; and
- Transaction costs relating to the acquisition of ResApp of \$127,500.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the transaction other than in connection with the preparation of this Report, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1

NARHEX LIFE SCIENCES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Comprehensive Income		Reviewed six months to 31-Dec-14 \$
Revenue		
Interest Revenue		382
Other revenue		150,621
Expenses		
Administration expenses		(135,562)
Finance costs		(258)
Profit from continuing operations before income tax		15,183
Income tax expense		-
Profit from continuing operations		15,183
Other comprehensive income		-
Total comprehensive income		15,183

This statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2
NARHEX LIFE SCIENCES LIMITED
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Note	Reviewed as at	Acquisition of	Subsequent	Pro forma adjustments	Pro forma adjustments	Pro forma	Pro forma
		31-Dec-14	ResApp	Events	Minimum	Maximum	Minimum	Maximum
		\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS								
Cash assets	2	361,233	1,052	329,000	2,074,500	3,482,500	2,765,785	4,173,785
Trade receivables		14,038	-	-	-	-	14,038	14,038
Other receivables		290,000	-	-	-	-	290,000	290,000
Other		6,398	-	-	-	-	6,398	6,398
TOTAL CURRENT ASSETS		671,669	1,052	329,000	2,074,500	3,482,500	3,076,221	4,484,221
NON CURRENT ASSETS								
Intangibles	3	-	2,004,802	-	-	-	2,004,802	2,004,802
TOTAL NON CURRENT ASSETS		-	2,004,802	-	-	-	2,004,802	2,004,802
TOTAL ASSETS		671,669	2,005,854	329,000	2,074,500	3,482,500	5,081,023	6,489,023
CURRENT LIABILITIES								
Payables		13,774	2,200	-	-	-	15,974	15,974
Borrowings		-	3,654	-	-	-	3,654	3,654
Provisions		1,745	-	-	-	-	1,745	1,745
TOTAL CURRENT LIABILITIES		15,519	5,854	-	-	-	21,373	21,373
TOTAL LIABILITIES		15,519	5,854	-	-	-	21,373	21,373
NET ASSETS		656,150	2,000,000	329,000	2,074,500	3,482,500	5,059,650	6,467,650
EQUITY								
Issued capital	4	3,672,950	2,000,000	704,000	2,202,000	3,610,000	8,578,950	9,986,950
Reserves		210,000	-	-	-	-	210,000	210,000
Accumulated losses	5	(3,226,800)	-	(375,000)	(127,500)	(127,500)	(3,729,300)	(3,729,300)
TOTAL EQUITY		656,150	2,000,000	329,000	2,074,500	3,482,500	5,059,650	6,467,650

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3.

APPENDIX 3
NARHEX LIFE SCIENCES LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Narhex at the end of the reporting period. A controlled entity is any entity over which Narhex has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are then classified and measured as set out below.

Classification and Subsequent Measurement

All financial instruments of the Company are subsequently measured at amortised cost, using the effective interest rate method.

Amortised Cost

Amortised cost is calculated as a) the amount at which the financial asset or liability is measured at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and d) less any reduction for impairment.

Effective Interest Rate Method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Derecognition

Financial instruments are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

g) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

h) Impairment of other tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in

prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

i) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable to or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred Tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

j) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

k) Share-based payments

Equity-settled share-based payments are measured at fair value of the equity instrument at the grant date. Fair value is measured by the use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

l) Investment in associated entity

The company's interest in its associated entity is brought to account using the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Company's share of assets in the associated entity. Profits and losses resulting from transactions between the Company and the associated entity are eliminated to the extent of the Company's interest in the associated entity.

	Reviewed 31-Dec-14 \$	Pro-forma after Offer \$	Pro-forma after Offer \$
NOTE 2. CASH AND CASH EQUIVALENTS		Minimum	Maximum
Cash and cash equivalents	361,233	2,765,785	4,173,785
<i>Adjustments to arise at the pro-forma balance:</i>			
Reviewed balance of Narhex at 31 December 2014		361,233	361,233
<i>Subsequent events:</i>			
Acquisition of ResApp		1,052	1,052
Proceeds of the placement		350,000	350,000
Transaction costs		(127,500)	(127,500)
Costs of the placement		(21,000)	(21,000)
		202,552	202,552
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		2,500,000	4,000,000
Costs of the Offer		(298,000)	(390,000)
		2,202,000	3,610,000
Pro-forma Balance		2,765,785	4,173,785

	Reviewed 31-Dec-14 \$	Pro-forma after Offer \$ Minimum	Pro-forma after Offer \$ Maximum
NOTE 3. INTANGIBLES			
Intangibles	-	2,004,802	2,004,802
<i>Adjustments to arise at the pro-forma balance:</i>			
Reviewed balance of Narhex at 31 December 2014		-	-
<i>Subsequent events:</i>			
Acquisition of ResApp		2,004,802	2,004,802
Pro-forma Balance		2,004,802	2,004,802

	Reviewed 31-Dec-14 \$		Pro-forma after Offer \$ Minimum	Pro-forma after Offer \$ Maximum
NOTE 4. ISSUED CAPITAL				
Issued and fully paid shares	3,672,950		8,578,950	9,986,950
	Number of shares (min)	Number of shares (max)	\$	\$
<i>Adjustments to arise at the pro-forma balance:</i>				
Fully paid ordinary share capital at 31 December (post consolidation)	245,523,527	245,523,527	3,672,950	3,672,950
<i>Subsequent events:</i>				
Acquisition of ResApp	93,750,000	93,750,000	2,000,000	2,000,000
The issue of facilitation shares	18,749,999	18,749,999	375,000	375,000
Issue of shares under Placement	35,000,000	35,000,000	350,000	350,000
Cost of the Subsequent Placement	-	-	(21,000)	(21,000)
	147,499,999	147,499,999	2,704,000	2,704,000
<i>Pro-forma adjustments:</i>				
Shares issued under this Prospectus	125,000,000	200,000,000	2,500,000	4,000,000
Costs of the Offer	-	-	(298,000)	(390,000)
	125,000,000	200,000,000	2,202,000	3,610,000
Pro-forma Balance	518,023,526	593,023,526	8,578,950	9,986,950

The consideration for the Acquisition of ResApp is based on the pre capital consolidation share price of \$0.008 as at the date of this report. The net assets of ResApp as at 31 December was a net liability position of \$4,802, accordingly we have provisionally accounted for the acquisition and allocated the excess consideration to the intangible assets of ResApp being the licence that will be acquired on completion of the acquisition by Narhex.

	Reviewed 31-Dec-14	Pro-forma after Offer	Pro-forma after Offer
NOTE 5. ACCUMULATED LOSSES	\$	\$	\$
		0	0
Accumulated losses	(3,226,800)	(3,729,300)	(3,729,300)
<i>Adjustments to arise at the pro-forma balance:</i>			
Reviewed balance of Narhex at 31 December 2014		(3,226,800)	(3,226,800)
<i>Pro-forma adjustments:</i>			
Transaction costs		127,500	127,500
<i>Subsequent events:</i>			
Issue of facilitation shares		(375,000)	(375,000)
Pro-forma Balance		(3,729,300)	(3,729,300)

NOTE 6: BUSINESS COMBINATION

A summary of the acquisition details with respect to the proposed acquisition of ResApp Pty Ltd as included in our report is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 31 December 2014, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

The Company is the legal acquirer (i.e. the parent company) and will be the reporting entity of the Merged Group. We have provisionally accounted for the acquisition as an asset acquisition due to ResApp not meeting the definition of a business under AASB 3 Business Combinations at this point in time. The deferred consideration relating to the performance rights has not been recognised as there is no revenues to date and there is no certainty as to when revenue will be generated.

NOTE 7: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 8: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

6. RISK FACTORS

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

6.1 Specific risks

(a) Competition and New Technologies

The industry in which ResApp is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While ResApp will undertake all reasonable due diligence in its business decisions and operations, ResApp will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of ResApp's business. For instance, new technologies could overtake the advancements made by ResApp's products. In that case, ResApp's revenues and profitability could be adversely affected.

(b) Special Reputational Risks

ResApp operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about ResApp may have a disproportionate effect on ResApp's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on ResApp's profitability.

(c) No Trading History

ResApp has no trading history and there is therefore uncertainty in relation to the business of ResApp and investors should consider ResApp's prospects in light of its limited financial history. In addition, there is no guarantee that ResApp will be able to successfully develop or commercialise its products and if it is unable to do so it will not be able to realise significant revenues in the future.

(d) Reliance on Key Personnel

The commercial development of the Licensed IP has been in large part due to the talent, effort, experience and leadership of Tony Keating while an employee of UniQuest Pty Ltd. Tony Keating has signed a contract to join ResApp as Managing Director and Chief Executive Officer on completion of the Transaction.

There is no assurance that Tony Keating's contract will not be terminated or will be renewed on the expiry of its term. In addition, there is no assurance that Tony Keating would remain healthy and able to continue in his role. If his contract were terminated or breached, or if the Tony Keating were no longer to continue in his role, ResApp would need to employ alternative staff, and ResApp's operations and business would be adversely affected.

(e) **Reliance on Key Researcher and The University of Queensland**

The research and development of the License IP has been in large part due to the talent, effort, experience and leadership of Associate Professor Udantha Abeyratne. Associate Professor Abeyratne will continue developing the Licensed IP as an employee of UQ and ResApp expects to continue to fund this development at UQ.

There is no assurance that Associate Professor Abeyratne will continue to be an employee of UQ. In addition, there is no assurance that Associate Professor Abeyratne would remain healthy and able to continue in his current role.

ResApp has entered into one research agreement with UQ to fund the further development of the Licensed IP and intends to enter into further research agreements as contemplated by the Sub-Licence Agreement. There is no assurance that those additional research agreements will be secured or that the research agreements will not be terminated. If such contracts were terminated or breached, ResApp would need to find alternative means of performing the development work, and ResApp's operations and business would be adversely affected.

(f) **Outsourcing**

The Company and ResApp outsource to consultants for expert advice and contract organisations (including UQ) for research, clinical and manufacturing services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

(g) **Liability Claims**

ResApp may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. As a result, ResApp may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against ResApp, ResApp may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(h) **Customer Service Risk**

Customers may need to engage with ResApp's customer service personnel in certain circumstances, such as if they have a question about the services or if there is a dispute between a customer and ResApp. ResApp needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If ResApp loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on ResApp's revenue.

(i) **Risks Associated with the Regulatory Environment**

ResApp is based in Australia and is subject to Australian laws and regulations. For example, ResApp is required to comply with *Therapeutic Goods Act 1989* (Cth). If ResApp expands into other markets, for example the United States of America, then ResApp will be subject to United States laws and regulations. Users, competitors,

members of the general public or regulators could allege breaches of the legislation. This could result in remedial action or litigation, which could potentially lead to ResApp being required to pay compensation or a fine. ResApp's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon ResApp's profitability. In addition, if regulators took the view that ResApp had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to ResApp and consequent impact upon its revenue.

(j) Liquidity and Dilution Risk

Prior to the Offers, there will be 664,729,407 Shares on issue with between 21.53% and 30.51% of the total Shares on issue following requotation of the Company's Shares being offered to the public pursuant to the Prospectus. Upon requotation of the Company's shares, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider that there is an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.

If all the Shares are issued pursuant to the Offers then the total number of post-Consolidation Shares on issue following Completion of the Proposed Acquisition and Recompliance will be between approximately 486,773,526 Shares (assuming Minimum Subscription), and 561,773,526 Shares (assuming Full Subscription). This assumes that the Performance Shares don't convert into Shares upon the Milestone being achieved, no Placement Options or Incentive Options are exercised and no further Shares are issued.

If the Performance Shares convert into Shares upon the Milestone being achieved, then the total number of post-Consolidation Shares on issue following Completion of the Proposed Acquisition and Recompliance will be between approximately 580,523,526 Shares (assuming Minimum Subscription), and 655,523,526 Shares (assuming Full Subscription). This assumes that no Placement Options or Incentive Options are exercised and no further Shares are issued.

If all of the Placement Options and Incentive Options are also exercised then the total number of post-Consolidation Shares will be between approximately 634,273,526 Shares (assuming Minimum Subscription) and 709,273,526 Shares (assuming Full Subscription). This assumes that no further Shares are issued.

(k) Future Capital Needs

Further funding may be required by ResApp to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of ResApp and consequently its performance.

(l) Foreign Exchange Risks

If ResApp has costs and expenses in other jurisdictions, such as the United States of America or Europe, then they will likely be denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign

currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. ResApp could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.

(m) Insurance Coverage

ResApp faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. ResApp will maintain insurance coverage for its employees (as required by law in Australia) as well as insurance coverage for management liability, corporate liability, product liability, employment practices liability, crime protection and statutory liability. However, ResApp does not maintain insurance against various other liabilities. ResApp incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financials may be adversely affected.

(n) Clinical Testing

The Licensed IP must still undergo further clinical studies and those tests and trials may show that it does not work in a safe and effective manner. The Company intends to conduct clinical studies of the Licensed IP in the future, but there can be no guarantee that relevant regulatory agencies such as the FDA (Food and Drug Administration in the U.S.A.) or the TGA (Therapeutic Goods Administration in Australia) or other regulatory agencies will allow the Company to undertake such trials and/or the development and approval process may take longer, cost more than expected and may result in the Licensed IP not producing a viable diagnostic product.

(o) Commercialisation Risk

There is a risk that ResApp will not be able to successfully commercialize or sell its products, or be unable to attract sufficient customers to be sufficiently profitable to fund future operations.

(p) Intellectual Property Protection

The possible future commercial success of the Licensed IP may rely upon the ability to obtain and maintain patent protection and there is no guarantee that the claims and applications in respect of the Licensed IP will be found to be valid and enforceable or that all of the patent applications will be granted. The defence and prosecution of intellectual property rights are costly and time consuming and their outcome is uncertain. Further, ResApp does not own the Licensed IP, but rather has limited contractual rights as sub-licensee under the Sub-Licence.

Even with granted patent protection, the patents could be partially or wholly invalidated following challenges by third parties. The grant of a patent does not guarantee validity of that patent since it may be revoked on the ground of invalidity at any time during its life. If none of the claims of a granted patent are valid, the patent is unenforceable.

(q) **Infringement of Third-Party Intellectual Property**

If a third-party accuses ResApp of infringing its intellectual property or if a third-party commences litigation against ResApp for infringement of patent or other intellectual property rights, ResApp may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that ResApp incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against ResApp may be able to obtain injunctive or other equitable relief that could prevent ResApp from further developing discoveries or commercializing its products. In the event of a successful claim for infringement against ResApp, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, or at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent ResApp from commercializing available products and could cause it to incur substantial expenditure.

(r) **Trade Secrets**

UQ has developed (and will continue to develop) trade secrets in the form of specialized processes and software (including certain algorithms) which are licensed to ResApp for its business. UQ, UniQuest, the Company and ResApp take a number of precautions to protect such trade secrets. While the steps taken and the laws relating to trade secrets assist to protect proprietary rights, there can be no guarantee that unauthorized use or copying of that specialized technology or algorithms will be prevented or those employees that have access adhere to their confidentiality obligations.

Any significant failure or inability to adequately protect and control these proprietary trade secrets (which may be held by third-parties such as UQ) may harm the Company's business, reduce its ability to compete, result in an immediate lack of capability in relation to core systems, as well as a loss of competitive advantage.

(s) **Partnerships**

The commercial strategy for products which may be derived from the Licensed IP potentially includes forming partnerships with other companies that have the ability to effectively commercialise respiratory diagnostic products in key economic markets and there is no assurance that suitable partnerships will be secured or that products can be commercialised.

(t) **Reliance on Third-Party Vendors**

ResApp plans to utilize third-party hardware ('smartphones'), software ('mobile operating systems') and distribution ('app stores') platforms for commercialization of the Licensed IP. If access to these platforms were terminated or reduced, ResApp's operations and business would be adversely affected.

(u) **Competition**

The medical device industry is highly competitive and other corporations may commercialise products that may compete with the Licensed IP or which may reach the market before any products derived from the Licensed IP are launched.

6.2 **General Risks**

(a) **Investment risk**

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Public Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

7. INTELLECTUAL PROPERTY EXPERT'S REPORT



INTELLECTUAL PROPERTY REPORT

Our Ref: 255632

1 May 2015

The Directors

Narhex Life Sciences Limited
c/- Trident Capital
Level 24, 44 St George's Terrace
Perth WA 6000

Dear Directors

This report has been prepared for inclusion in a prospectus to be issued by Narhex Life Sciences Ltd ("NLS") for lodgement with the Australian Securities and Investment Commission for the purpose of raising funds through the issue of securities.

We are informed that NLS proposes to acquire 100% of the shares in ResApp Diagnostics Pty Ltd ("RD"). We are further informed that RD has in-licensed certain intellectual property rights from Uniquet Pty Ltd. This report provides details of the patent applications that we are informed are included in the intellectual property rights in-licensed by RD ("the ResApp IP").

1.0 Structure of Report

Section 2 provides background information relevant to the understanding of patent rights.
Section 3 identifies patent applications that we are informed are included in the ResApp IP.
Section 4 outlines the scope and limitations of this Report.
Section 5 presents our Statement of Independence.

2.0 Patents – background information

Patents provide protection for certain new, non-obvious and useful inventions for a limited period. Patents may be granted in respect of new or improved products, compositions and processes in almost all areas of current scientific, commercial and industrial activities. However, it is important to note that not all new or improved products are amenable to patent protection, and that there is considerable variation between jurisdictions in this regard.

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Patent rights are typically national rather than trans-national and a patent must be obtained in each country where protection of an invention is required. A fundamental requirement of the patent system is that the invention be 'new' at the time of lodging a patent application. Newness in this sense is judged in relation to what was publicly known or used at the date of the application. Another requirement is for a distinct inventive advance over what was previously known. This means that valid patent protection cannot be obtained for obvious developments.

Pursuant to the Paris Convention, the filing of an initial patent application in, for example, Australia establishes a priority date for the invention in Australia and all other countries that are a party to this Convention, including countries such as the United States, Canada, New Zealand, Europe and Japan. The usual steps towards obtaining a patent in Australia and other countries in respect of an invention begin by filing a provisional application. The filing of a provisional application establishes the priority date in respect of the invention disclosed in the provisional specification.

Within twelve months from the date of the filing of the provisional application, a complete application must be lodged otherwise the provisional application, which remains pending for only one year, ceases to exist, along with the priority date set thereby. Thus, if no application is filed within one year of the provisional application, the priority date is no longer valid. Within the one year pendency of the provisional application, in order to obtain protection in other countries, the applicant may file separate national patent applications in each of the countries in which protection is required. Alternatively, the applicant may file a single international application under the provisions of the Patent Cooperation Treaty (generally referred to as a 'PCT' application or an 'International' application) in which it is possible to designate countries or regions in which protection is required. The International application itself does not mature into a worldwide patent, but at the end of the international phase, steps can be taken to file the application into any or all of the countries or regions designated in the original International application.

Regional patent applications, such as a European regional application, may also be filed. A European application may designate any or all countries that are a party to the European Patent Convention. The European patent application is processed centrally and in a single language and, if ultimately successful, can mature into a granted European patent, which must then be validated in each country in which protection is sought, some of which require translation into that country's native language. The term 'European patent' thus actually constitutes a bundle of national patent rights, each of which can be enforced separately through national Courts.

The registration of a patent right includes a number of steps, the timings of which are widely variable from jurisdiction to jurisdiction, and also may vary greatly across different types of technology applications within one jurisdiction's examination office. In some jurisdictions, after a patent application is filed the application must be examined for substantive patentability before registration. Furthermore, in some jurisdictions the applicant is required to request examination before the application will proceed to examination, whilst in other jurisdictions examination will occur automatically in due course.

In Australia and most other countries, patent rights may be kept in force for a period of 20 years from the date of filing of the complete application on which the patent is granted.

A granted patent enables the patentee to prevent others from performing the invention claimed therein. A granted patent does not guarantee that performing the invention does not infringe the rights of other patent owners.

In most countries, a patent application is subjected to examination for novelty and obviousness (and other grounds) before a patent is granted. There can be no assurance that each of the patent applications set out above will result in the grant of a patent, or that the scope of protection provided by any granted patent will be identical to the scope of the application as originally filed. or that the granted patent will effectively inhibit competition. Furthermore, due to differences in examination between countries and regions and scope of available protection, the scope of protection provided by a granted patent in one jurisdiction may differ from that provided by a granted patent in another jurisdiction,.

Further, it should be noted that the grant of a patent does not guarantee validity of that patent since it may be revoked by a court on the grounds of invalidity at any time during its life. If none of the claims of a granted patent are valid, then the patent is unenforceable. For example, relevant prior disclosures may be discovered that were not raised during examination, which may limit the scope of patent protection sought, perhaps to a very narrow field. In the preparation of this report, we have not assessed the validity of the granted patents or the likelihood that the pending applications will grant with commercially effective patent claims.

3.0 Patent Applications forming part of the ResApp IP

The ResApp IP includes a portfolio of patent applications all derived from international patent application PCT/AU2013/000323, details for which are as follows.

Number: PCT/AU2013/000323 (WO 2013/142908)
Applicant: The University of Queensland
International Filing Date: 28 March 2013
Inventors: Udantha R. Abeyratne, Vinayak Swankar,
and Yusuf A Amrulloh.

The national/regional patent applications derived from international patent application PCT/AU2013/000323 are as follows.

Jurisdiction	Application Number	Status
Australia	2013239327	Filed
United States	14/389291	Filed
Europe	13768257.1	Filed
Japan	2015-502020	Filed
China	201380028268.X	Filed
Korea	10-2014-7030062	Filed

The expiry date of this family of patents is approximately 28 March 2033. This is an estimate only, which has been calculated on the basis of a twenty year patent lifespan from the international filing date. This estimate does not make allowances for any patent term adjustments or extensions.

The status summary of patent applications provided in this Report is correct to the best of our knowledge after conducting reasonable due diligence and research, at the date of this Report.

This Report is based on information generated by searches undertaken on 12 March 2015 and Wrays is not aware of any material changes expected to occur to the status of matters discussed below, except for normal changes in the course of standard patent prosecution.

We are advised that the national/regional patent applications derived from the international patent application PCT/AU2013/000323 were filed with no amendments to the claims that substantially change the invention identified. Accordingly, the invention to which the patent applications are currently directed is a method of operating a computational device to process patient sounds, the method comprises the steps of:

extracting features from segments of said patient sounds; and

classifying the segments as cough or non-cough sounds based upon the extracted features and predetermined criteria; and

presenting a diagnosis of a disease related state on a display under control of the computational device based on segments of the patient sounds classified as cough sounds.

4.0 Limitations of this Report

This Report is not to be construed as a legal opinion as to the registrability or validity of the patent applications forming part of the ResApp IP.

This Report does not provide any indication that the subject inventions may be commercially exploited in any jurisdiction without risk of infringement of existing patents to other parties. It is important to note that the granting of a patent does not guarantee that the patentee has freedom to operate the invention claimed in the patent. It may be that working of a patented invention is prevented by the existence of another patent. In the preparation of this report, we have not assessed whether or not the commercialisation of the ResApp IP embodied by the patent applications listed above will infringe third party patent rights.

The searches conducted for this Report and the results of which are in part relied upon in this Report, have been substantially computer based and as such, would have been limited in terms of the time periods and the geographical areas covered. All searches are subject to the accuracy and scope of the records searched as well as to the indexing and classification of those records.

In most countries, patent applications undergo an independent search and examination by the local Patent Office, the results of which are not binding in other jurisdictions. Similarly, international PCT search and examination reports are not binding on national patent applications during subsequent examination in the national phase. Such reports should therefore be regarded as indicative only and not determinative of patentability. It should also be appreciated that the grant of a patent in one country provides no guarantee that patents will grant in other jurisdictions.

This Report is not to be construed as representing that the claims of the patent applications forming part of the ResApp IP will be granted in their current form. It is often necessary during the examination of a patent application to define the invention more specifically by amendment of the claims, so as to distinguish relevant prior art. As a result of

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this process, there may be variations in the claims between countries, reflecting in part the different examination procedures and threshold requirements for patentability, according to national laws. Whilst this is a relatively standard procedure, in certain circumstances, such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

5.0 Statement of Independence

Wrays, established in 1920, is an Australian patent and trade mark attorney practice, proudly representing a significant number of Australian and international businesses. Neither Wrays nor any of its Directors or Principals has any entitlement to any securities in Narhex Life Sciences Limited, or has any other interest in the promotion of Narhex Life Sciences Limited. Furthermore, the payment of fees to Wrays for the preparation of this Report, is not contingent upon the outcome of the Prospectus.

We have given and, at the date of this Report have not revoked, our consent to the issue of the Prospectus by Narhex Life Sciences Limited with this Report appearing therein in the form which it now appears.

Yours sincerely
WRAYS



Todd Shand
Principal

8. DIRECTORS, KEY MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Board of Directors

In accordance with the terms of the Share Sale Agreement and with effect from completion of the Proposed Acquisition, Dr Robert Ramsay will retire as a Director of the Company and two nominees of ResApp, Dr Tony Keating and Dr Roger Aston, will be appointed to the Board of the Company. Dr Aston will also be appointed to replace Mr Sierakowski as non-executive Chairman of the Board. Mr Chris Ntoumenopoulos will remain as a non-executive Director of the Company.

Upon completion of the Proposed Acquisition, the new Board of the Company will comprise:

- Dr Roger Aston (Non-Executive Chairman and Non-Executive Director);
- Mr Adam Sierakowski (Non-Executive Director);
- Mr Chris Ntoumenopoulos (Non-Executive Director); and
- Dr Tony Keating (Managing Director and Chief Executive Officer).

8.2 Director profiles for the Existing Board

Details of the Directors comprising the Board upon until completion of the Proposed Acquisition are set out below.

Mr Adam Sierakowski Non-Executive Chairman

Adam Sierakowski is a lawyer and founding director of the legal firm Price Sierakowski. He has over 20 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.

Dr Robert Ramsay Non-Executive Director

Dr Ramsay is a geologist with over 30 years' experience working with Rio Tinto, Striker Resources, BHP Billiton, 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. Dr Ramsay is also a Director of ASX listed Coziron Resources Limited (ASX: CZR).

Mr Chris Ntoumenopoulos
Non-Executive Director

Mr Ntoumenopoulos is a partner at CPS Capital, a WA based Stockbroking and Corporate Advisory firm. He has worked in financial markets for the past 12 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO.

He is an executive director of various private companies which span across finance, technology and medical sectors.

Mr Ntoumenopoulos has a Bachelor of Commerce degree from the University of WA, majoring in Money and Banking, Investment Finance and Electronic Commerce.

8.3 **Director profiles for the Proposed Board**

Details of the Directors who will comprise the Board upon completion of the Proposed Acquisition are set out below.

Dr Roger Aston
Non-Executive Chairman and Non-Executive Director

Dr Roger Aston, BSc (Hons) PhD is currently the Executive Chairman of OncoSil Medical. He has had extensive experience on boards of many pharmaceutical companies, and has been Chief Executive Officer of Pitney Pharmaceuticals Ltd, PSIMEDICA, PSIONCOLOGY PTE LTD, Peptech and Cambridge Antibody Technology.

In 2001 Dr Aston co-founded pSivida Limited. He served as the Chief Executive Officer of Mayne Pharma Group Limited until 15 February 2012. During his career, Dr Aston has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include FDA and EU product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors.

Dr Aston is both a scientist and a seasoned biotechnology entrepreneur, with a successful track record in both fields. He currently has several executive and non-executive board positions with prominent biotechnology companies.

Dr Tony Keating
Managing Director and Chief Executive Officer

Dr Tony Keating is currently Director, Commercial Engagement (Engineering and ICT) at UniQuest and has over 9 years' experience in commercialising technology. Dr Keating created the initial business strategy for ResApp and has led the commercialization of the Licensed IP to date. While at UniQuest Dr Keating has had roles as interim Chief Executive Officer and Non-Executive Director for a number of privately-held, venture-capital funded start-up companies. Prior to joining UniQuest Dr Keating worked in business development and engineering management roles at Exa Corporation (now NASDAQ listed), a US-based software company.

Dr Keating holds a Bachelor of Engineering, a Master of Engineering Science and a Doctor of Philosophy (Mechanical Engineering) from UQ. Dr Keating also has an Executive Certificate of Management and Leadership from the MIT Sloan School of Management, and is a Graduate Member of the Australian Institute of Company Directors.

Mr Adam Sierakowski
Non-Executive Director

Please refer to paragraph 8.2 above for Mr Sierakowski's profile.

Mr Chris Ntoumenopoulos
Non-Executive Director

Please refer to paragraph 8.2 above for Mr Ntoumenopoulos's profile.

8.4 **Directors' interests**

Other than as disclosed in this Prospectus, no Existing Director or Proposed Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; and
- the Offers.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Existing Director or Proposed Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

8.5 **Directors' security holdings**

Directors are not required to hold any Shares under the constitution of the Company.

Set out in the table below are details of the anticipated relevant interests of the Existing Directors and Proposed Directors in the Shares of the Company upon completion of the Offers.

Director	Existing Shares ¹	% interest - existing	Shares at completion	% interest at completion ²
Mr Adam Sierakowski ²	8,323,477	3.39%	21,448,477	3.27%
Dr Robert Ramsay	0	0%	0	0%
Mr Chris Ntoumenopoulos ³	0	0%	2,109,375	0.32%
Dr Tony Keating	0	0%	0	0%

Dr Roger Aston ⁴	0	0%	0	0%
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Notes:

1. The above figures are presented on a post-Consolidation basis. The figures also assume that the Public Offer is fully subscribed and that there are 655,523,526 Shares on issue at completion. The exact number of Shares on issue will be subject to the rounding effects of the Consolidation.
2. Mr Sierakowski is a director and shareholder of IML Holdings Pty Ltd and a director and shareholder of Trident Capital Pty Ltd.
3. Mr Chris Ntoumenopoulos is a director and shareholder of SOBOL Capital Pty Ltd,
4. Dr Roger Aston is a director and shareholder of Newtonmore Biosciences Pty Ltd. Newtonmore Biosciences Pty Ltd will also receive 8,437,500 Performance Shares which will convert into an additional 8,437,500 Shares if the Milestone is achieved.

Set out in the table below are details of the anticipated relevant interests of the Existing Directors and Proposed Directors in other securities of the Company upon completion of the Offers.

Director	Performance Shares ¹	Placement Options	Incentive Options
Mr Adam Sierakowski ²	0	1,875,000	0
Dr Robert Ramsay	0	0	0
Mr Chris Ntoumenopoulos	0	0	0
Dr Tony Keating	0	0	20,000,000
Dr Roger Aston ³	8,437,500	0	0

Notes:

1. The above figures are presented on a post-Consolidation basis. The exact number of Shares is subject to the rounding effects of the Consolidation.
2. Mr Sierakowski is a director and shareholder of IML Holdings Pty Ltd and a director and shareholder of Trident Capital Pty Ltd.
3. Dr Roger Aston is a director and shareholder of Newtonmore Biosciences Pty Ltd.

8.6 Directors' remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at AU\$200,000 per annum.

The remuneration of the executive Directors will be determined by the Board. A summary of Dr Tony Keating's employment agreement is set out in Section 9.3(b).

8.7 Corporate Governance

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 8.7. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement set out in this Section 8.7 discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.narhex.com.au, under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Security Trading Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communication and Investor Relations Policy;
- (i) Risk Committee Charter;
- (j) Risk Management Policy; and
- (k) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors and the Incoming Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity, which will be disclosed in the Company's corporate governance statement for the financial year ended 30 June 2015, and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation will be disclosed by the Company in each corporate governance statement.

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Company will report on whether an evaluation of its Chief Executive Officer and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience; and
- (b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Mr Adam Sierakowski (Chairman);
- (b) Dr Robert Ramsay (Non-executive Director); and
- (c) Mr Chris Ntoumenopoulos (Non-executive Director).

Dr Ramsay will resign following the Company's reinstatement to the Official List and Dr Tony Keating and Dr Roger Aston will be appointed to the Board. Dr Keating will be a non-independent executive director and Dr Aston will be appointed to replace Mr Sierakowski as non-executive Chairman of the Board.

Mr Sierakowski and Dr Ramsay have been directors of the Company since 20 December 2013. Mr Ntoumenopoulos has been a director of the Company since 21 January 2015.

Recommendation 2.4

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

Recommendation 2.5

As noted above, Mr Sierakowski is not an independent Chairman. Mr Sierakowski and then Dr Aston are considered to be the most appropriate persons to Chair the Board because of their public company experience.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.narhex.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can

obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks. These are outlined in detail in Section 5.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

9. MATERIAL CONTRACTS

9.1 Introduction

The Directors consider that certain contracts entered into by the Company and ResApp are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares under the Offers. The provisions of such material contracts are summarised in this Section. As this Section is a summary only, the provisions of each contract are not fully described. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

9.2 ResApp Agreements

(a) UniQuest licence agreement

On or about 26 September 2014 (**Effective Date**), UniQuest and ResApp entered into a licence agreement whereby UniQuest agreed to grant to ResApp a sub-licence to all patent rights, know-how and any intellectual property (**Licensed IP**) under the research agreements between UniQuest and ResApp (**Sub-Licence Agreement**). UniQuest had initially been granted an exclusive licence of the Licensed IP from the University of Queensland.

The Sub-Licence Agreement was varied by variation deeds on 20 February 2015 and 4 May 2015.

The Sub-Licence Agreement commenced on the Effective Date and will continue until the 20th anniversary of the Effective Date. Under the Sub-Licence Agreement, the rights granted to ResApp include the right to use and modify the software to create new revisions and releases of the software (both the source and object code), including for other platforms such as Windows-based and Blackberry-based platforms.

Pursuant to the Sub-Licence Agreement, ResApp agrees to enter into the following three research agreements (**Research Agreements**) with UniQuest:

- (i) by no later than 3 October 2015, a Research Agreement in relation to the diagnosis of respiratory diseases which contains a minimum of \$300,000 to be paid to UniQuest in research fees within 12 months of the date of the Research Agreement;
- (ii) by no later than 31 December 2015, a Research Agreement in relation to asthma management which contains a minimum of \$100,000 to be paid to UniQuest in research fees within 12 months of the date of the Research Agreement; and
- (iii) by no later than 31 December 2015, a Research Agreement in relation to COPD management which contains a minimum of \$100,000 to be paid to UniQuest in research fees within 12 months of the date of the Research Agreement.

(b) **UniQuest Research Agreements**

On 22 April 2015, UniQuest and ResApp entered into the first research agreement for UniQuest to undertake a research program (**Research Program**). The research performed by UniQuest under the Research Program will involve, among other things:

- (i) supporting ResApp in developing trial protocols and ethics submissions for performing clinical studies at Joondalup Health Campus (**JHC**) and Princess Margaret Hospital (**PMH**);
- (ii) providing high fidelity recording equipment to clinical trials teams at JHC and PMH to provide cross-validation audio recordings to compare iPhone recordings;
- (iii) providing support to JHC and PMH clinical teams in obtaining high quality sound recordings;
- (iv) providing an assessment of the overall quality of the iPhone recordings made by the JHC and PMH clinical team;
- (v) performing an initial training and testing of the cough-based diagnostic algorithms on the JHC and PMH dataset;
- (vi) reporting to ResApp sensitivity, specificity, accuracy, NPV and PPV for respiratory diseases; and
- (vii) providing an estimate to ResApp of the statistical significance of the results.

The Research Program will continue for approximately 3 months (although this time may be extended based on the availability of sound recordings provided to ResApp).

The total budget for the Research Program is \$51,197 and there are a number of milestones that UniQuest must achieve by a specified date.

It is anticipated that the Company will enter into further research agreements as contemplated by the Sub-License Agreement.

9.3 **Company Agreements**

(a) **Share Sale Agreement**

The Company and the ResApp Vendors entered into the Share Sale Agreement on 20 February 2015. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in ResApp, and the ResApp Vendors agreed to sell all of their ordinary shares in ResApp to the Company.

The Share Sale Agreement was varied by a letter of variation on 4 May 2015 in order to facilitate an extension of the dates for satisfaction of the conditions precedent to completion under the Share Sale Agreement and to acknowledge the split of Facilitation Shares.

Conditions of the Share Sale Agreement

Completion of the sale and purchase of 100% of the ordinary shares in ResApp pursuant to the Share Sale Agreement is due to occur 7 business days following the satisfaction or waiver of the latest condition to be satisfied or waived. The conditions to be satisfied or waived are:

- (i) The Company being satisfied with its due diligence enquiries in respect of ResApp.
- (ii) ResApp and UniQuest being satisfied with their due diligence enquiries in respect of the Company.
- (iii) The Company obtaining all regulatory and Shareholder approvals.
- (iv) The Company completing a capital raising of at least \$2,500,000, as contemplated by the Public Offer in this Prospectus;
- (v) The ResApp Vendors and UniQuest obtaining all regulatory and Shareholder approvals.
- (vi) As the Company is required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules, ASX providing the Company with a list of conditions reasonably acceptable to the ResApp Vendors and the Company which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX.

The Company must use all reasonable endeavours to procure the satisfaction of conditions 9.3(a)(i), 9.3(a)(iii), 9.3(a)(iv) and 9.3(a)(vi) above. The Vendors must use all reasonable endeavours to procure the satisfaction of conditions 9.3(a)(ii) and 9.3(a)(v) above.

Completion

At Completion of the Share Sale Agreement, the Company has agreed to issue Shares to the Vendors, and Facilitation Shares, and to the Facilitators pursuant to the Facilitation Offer under this Prospectus. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Dr Robert Ramsay will resign as a Director.

Warranties and indemnities

The Share Sale Agreement contains additional provisions, including warranties and indemnities in respect of the status of ResApp and the Company, which are considered standard for agreements of this kind.

(b) Loan Agreement

In addition to the Share Sale Agreement, the Company entered into a Loan Agreement with ResApp on 18 March 2015 pursuant to which the Company has agreed to advance \$254,000 to ResApp (of which \$210,000 has already been advanced) to develop the technology licensed to ResApp by UQ, including for the commercial development of an app for the technology, clinical trials and for working

capital including legal and accounting fees. Investors should be aware that if the Proposed Acquisition is completed, ResApp will become a subsidiary of the Company.

(c) **Employment agreements**

Tony Keating
Chief Executive Officer

Dr Tony Keating will be engaged as the Company's Managing Director and Chief Executive Officer pursuant to an employment agreement between the Company and Dr Keating (**Employment Agreement**).

The total annual remuneration payable to Dr Keating under his employment agreement is a salary of \$200,000 per annum. Dr Keating will also be issued 20,000,000 Options under his Employment Agreement which he may exercise only while he remains an employee of the Company. Shareholder approval for the issue of these Options will be obtained at the General Meeting.

Dr Keating's Employment Agreement will commence upon Completion of the Proposed Acquisition, or such other date as may be agreed by the Parties. The term of the Employment Agreement is 2 years from the Commencement Date, unless otherwise terminated in accordance with the Employment Agreement (**Term**). During the Term, the Employment Agreement may only be terminated by the Company at any time:

- (i) by one months' notice to the employee in cases of prolonged illness or incapacity (mental or physical);
- (ii) by summary notice in circumstances where the employee neglects to perform his duties or comply with reasonable or proper direction, engages in serious misconduct or refuses or fails to accept a transfer of employment under the agreement.

Otherwise, the Employment Agreement may be terminated by either Party at any time without cause by giving not less than 6 months' notice in writing.

As Chief Executive Officer and Managing Director, Dr Keating shall (amongst other things):

- (i) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct;
- (ii) perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- (iii) obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests

of the Company and of such related corporations of the Company as the Company may from time to time direct.

Inventions, discoveries, designs, improvements, developments, copyright work or circuit layout (**Inventions**) relating to or capable of being used in the business of the Company or any of its related corporations which are made by Dr Keating during his employment by the Company will be the property of the Company, and Dr Keating is obligated to promptly disclose full details of any such Invention.

Dr Keating is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Employment Agreement contains additional provisions considered standard for agreements of this nature.

(d) **Trident Mandate**

The Company has entered into an agreement with Trident Capital whereby Trident Capital will receive, amongst other fees, the payment of a facilitation fee in relation to the Proposed Acquisition by way of the issue of Shares (which Shareholders approved at the General Meeting). The agreement with Trident Capital is for the provision of corporate advisory services by Trident Capital to the Company, such as corporate advice and restructuring, document preparation, engaging consultants and assisting with capital raising activities.

The Company has agreed to pay Trident Capital a corporate advisory fee of \$15,000 plus GST per month (which commenced from 1 February 2015 and will proceed for a 3 month period, unless extended by agreement between both parties), capital raising fees of 6% of the funds raised directly by Trident Capital for any future capital raisings, and all reasonable out-of-pocket expenses.

(e) **Trident Management Services Pty Ltd Services Agreement**

The Company has entered into a services agreement with Trident Management Services in relation to the provision of company secretarial, financial accounting and invoicing services to the Company. Trident Management Services is a related party of the Company as Adam Sierakowski is a director and shareholder of Trident Management Services. Shareholder approval for the agreement was not sought on the basis that the Board considers the arrangement between the Company and Trident Management Services to be on arm's length terms. The Company pays fees to Trident Management Services under the services agreement in accordance with the following:

- (i) \$4,000 (excluding GST) per month for the following company secretarial services: attendance at board meetings and preparation of minutes; liaising with the Share Registry in relation to shareholder queries; coordination and oversight of Corporate Governance procedures; lodgement of ASIC forms and ASX announcements; review of ASX announcements and liaison with ASX; and maintenance of corporate secretarial volumes;

- (ii) up to \$200 (excluding GST) per hour for other company secretarial services including assistance with the preparation of a prospectus, the management of a proposed capital raising and with preparation of financial statements for audit or ASX announcements; liaising with auditors and tax advisers; and due diligence and financial modelling for proposed acquisitions; and
- (iii) up to \$200 (excluding GST) per hour for the following financial services: bookkeeping, accounts payable and receivable, monthly accruals, creditors, debtors and prepayments, preparation of monthly management accounts, financial statements, tax workings and budgets; and liaising with auditors and tax advisers.

(f) **Deeds of Access, Indemnity and Insurance**

The Company has entered into deeds of access, indemnity and insurance with each of the Existing Directors (**Indemnity Deeds**). Upon the appointment of the Proposed Directors to the Board, the Company intends to also enter into Indemnity Deeds with the Proposed Directors.

Pursuant to these Indemnity Deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to company records.

10. ADDITIONAL INFORMATION

10.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

Voting rights

Subject to any rights or restrictions, at general meetings:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every share held, upon a poll.

Dividend rights

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than 100 shares or a marketable parcel. The Board may refuse to register a transfer of shares upon which the Company has a lien.

General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. If there are not sufficient Directors capable of acting to form a quorum, the Directors who are capable of acting or any five members of the Company may convene a general meeting.

Unmarketable parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

Rights on winding up

If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

10.2 Terms of Performance Shares

The terms of the Performance Shares to be issued to the ResApp Vendors and UniQuest under the Vendor Offer are as follows:

1 Definitions

In these terms and conditions, the following terms have the following meaning unless the context otherwise requires:

- (a) **"NLS"** means Narhex Life Sciences Limited (ACN 094 468 318).
- (b) **"Milestone"** means:
 - (i) ResApp and any subsidiaries of ResApp; and
 - (ii) if NLS or any Related Entity of NLS is licensed to use Licensed IP, NLS and that Related Entity;
achieving aggregated gross revenue of \$20,000,000 in the five years commencing on the day NLS is readmitted to quotation on ASX after recompliance with Chapters 1 and 2 of the Listing Rules.
- (c) **"ResApp"** means ResApp Diagnostics Pty Ltd (ACN 600 972 192) a wholly owned subsidiary of NLS as at the date NLS is readmitted to the Official List of the ASX following its recompliance with Chapters 1 and 2 of the Listing Rules.
- (d) **"Shareholders"** means the existing shareholders of NLS.
- (e) **"Share"** means an ordinary fully paid share in the capital of NLS.

2 Rights attaching to Performance Shares

- (a) Each Performance Share shall be issued for nil consideration.
- (b) Each Performance Share is a share in the capital of NLS.

- (c) The Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of NLS that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.
- (d) A holder is not entitled to vote on any resolutions proposed at a general meeting of NLS other than in the circumstances specifically allowed for under the Corporations Act.
- (e) The Performance Shares do not entitle a holder to any dividends.
- (f) The Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of NLS upon the winding up of NLS.
- (g) The Performance Shares are not transferrable.
- (h) The Performance Shares do not entitle the holder to participate in new issues of Securities.
- (i) If at any time the issued capital of NLS is reorganised, the Performance Shares are to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rules), being that the number of Performance Shares or the conversion ratio in section 3(a) or both will be reorganised so that the holder of the Performance Shares will not receive a benefit that holders of Shares will not receive and so that the holders of Shares will not receive a benefit that the holder of the Performance Shares does not receive.
- (j) Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into Shares pursuant to section 3, NLS must apply for the Official Quotation of the Shares arising from the conversion on ASX in accordance with the Listing Rules, and use its best endeavours to obtain Official Quotation. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and, the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.
- (k) The Performance Shares do not confer on a holder any right other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

3 Conversion of Performance Shares to Ordinary Shares

- (a) Subject to section 3(b), once NLS's auditors determine that the Milestone has been achieved based upon NLS's audited accounts over the period up to the time at which the Milestone is met, then, within 7 days of the release of the audited accounts in respect of the period in which the Milestone has been met, the Performance Shares will convert to Shares on the basis of one (1) fully paid ordinary share per Performance Share being converted on achievement of the Milestone. NLS agrees to instruct NLS's auditors in each of the five years commencing on the day NLS is readmitted to quotation on ASX after recompliance with Chapters 1 and 2 of the Listing Rules, to determine if the Milestone has been met on the basis of the audited accounts of NLS in the aggregate of the current period and previous relevant periods.
- (b) If the conversion of the Performance Shares would cause a contravention of section 606 of the Corporations Act, the conversion will be subject to the approval of NLS Shareholders under item 7, section 611 of the Corporations Act, and NLS must promptly convene a meeting of NLS Shareholders for that purpose and use its best endeavours to obtain that approval.

- (c) If the Milestone has not occurred on or prior to the date that is five years from the date NLS is readmitted to quotation on ASX after recompliance with Chapters 1 and 2 of the Listing Rules, every Performance Share will be cancelled.
- (d) Upon:
 - (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of NLS and:
 - (A) the bidder having received acceptances for not less than 50.1% of NLS's shares on issue or the Board recommending acceptance; and
 - (B) been declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of NLS or its amalgamation with any other company or companies,

then, to the extent the Performance Shares have not converted due to satisfaction of the Milestone, the Performance Shares automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Shares then on issue, is equal to the lesser of one Share per Performance Share and 10% of the total Shares on issue in NLS at that time Performance Shares that are not converted into Shares will continue to be held by the holder on the same terms and conditions.
- (e) The Shares issued on conversion of the Performance Shares will rank pari passu in all respects with existing Shares.

4 Compliance with Corporations Act, ASX Listing Rules and Constitution

- (a) Notwithstanding anything else contained in these terms and conditions, if the Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
- (b) Nothing contained in these terms and conditions prevents an act being done that any of the Listing Rules, the Corporations Act or the Constitution requires to be done.
- (c) If any of the Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the Listing Rules, the Corporations Act or the Constitution, the holders authorise NLS to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

10.3 Terms of Placement Options

The Terms of the Placement Options which have been issued to sophisticated investors are as follows.

- (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 a post-Consolidation exercise price equal to \$0.026 (**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 an 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).

10.4 **Terms of Incentive Options**

The terms of the Incentive Options to be issued to Dr Tony Keating (**Employee**) are as follows.

(a) **Entitlement**

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

(b) **Expiry Date**

Each unexercised Option will expire at 5.00pm (WST) on the 5th anniversary of the issue of the Options (**Expiry Date**).

(c) **Exercise Price**

The Options will have the following applicable exercise prices (**Exercise Price**):

- (i) 5,000,000 Options (on a post-Consolidation basis) with an exercise price of \$0.025;
- (ii) 5,000,000 Options (on a post-Consolidation basis) with an exercise price of \$0.05;
- (iii) 10,000,000 Options (on a post-Consolidation basis) with an exercise price of \$0.10.

(d) **Exercise period and lapsing**

Subject to clause (i), and for so long as the Employee remains an employee of the Company, Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, or if the Employee ceases to be an employee of the Company, 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,
- (iii) the Company will:
- (iv) allot and issue the Shares pursuant to the exercise of the Options;
- (v) 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
- (vi) 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 an 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).

10.5 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue (on a pre-Consolidation basis):

	Shareholder	Existing Shares	%	% Shares Post-Transaction (Minimum Subscription)	% Shares Post-Transaction (Full Subscription)
1.	Freeman Road Pty Ltd	80,000,000	12.03%	6.16%	5.34%
2.	Mr Jason Peterson and Mrs Lisa Peterson	60,625,623	9.12%	4.67%	4.05%
3.	HSBC Custody Nominees (Australia) Limited	42,595,837	6.41%	3.28%	2.84%
4.	Narhex Life Sciences Developments Limited	40,000,000	6.02%	3.08%	2.67%

Note: The table above assumes that the Performance Shares issued under this Prospectus will not convert into Shares.

On Completion of the Proposed Acquisition, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (on a post-Consolidation basis):

	Shareholder	New Shares	% Shares Post-Transaction (Minimum Subscription)	% Shares Post-Transaction (Full Subscription)
1.	UniQuest Pty Ltd	42,187,500	8.67%	7.51%

Note: The table above assumes that the Performance Shares issued under this Prospectus will not convert into Shares.

10.6 Interests of experts and advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Legal Advisors

Price Sierakowski Corporate has acted as the solicitors to the Offers and the Australian solicitors to the Company in relation to the Offers, the proposed acquisition of ResApp, the proposed General Meeting and various other matters. The Company estimates it will pay Price Sierakowski Corporate \$70,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. In addition, Price Sierakowski Corporate has performed other legal work in relation to the reconstruction of the Company, including the preparation of the Notice of Meeting. During the two years preceding lodgement of this Prospectus with ASIC, Price Sierakowski Corporate invoiced fees in the amount of \$202,457 (excluding GST).

(c) Corporate Advisors

Trident Capital has acted as corporate advisor to the Company. Fees are paid or payable to Trident Capital in accordance with the Trident Mandate summarised at Section 9.3(d). Trident Capital has also performed other work in relation to the reconstruction of the Company, including management of the recapitalisation process and preparation of documentation required as part of the recapitalisation process. During the 24 months preceding lodgement of this Prospectus with ASIC, Trident Capital has received fees from the Company in the amount of \$66,000 (excluding GST).

(d) Investigating Accountants

BDO Corporate Finance (WA) Pty Ltd has acted as the Investigating Accountant and has prepared the Investigating Accountant's Report, which is included at Section 5. The Company estimates it has and will pay BDO Corporate Finance (WA) Pty Ltd a total of \$3,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has received fees from the Company in the amount of \$29,788 (excluding GST).

(e) Auditor

Somes Cooke has been appointed as Auditor of the Company for which it will be paid usual commercial rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Somes Cooke has received fees from the Company in the amount of \$32,120 (excluding GST).

(f) Intellectual Property Expert

Wrays has prepared the Intellectual Property Expert's Report which is included at Section 7. Total fees payable to Wrays for work done in relation to this Prospectus are approximately \$15,637 (excluding GST). During the 24 months preceding lodgement of this Prospectus, Wrays has not received any other fees from the Company.

10.7 Consents

Each of the parties referred to below:

- does not make the Offers;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

Price Sierakowski Corporate has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Australian legal adviser to the Company in the form and context in which it is named.

BDO Corporate Finance (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

Somes Cooke has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company and ResApp in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

Trident Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the corporate advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. Trident Capital has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Trident Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Link Market Services Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Share Registry to the Company in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry.

Wrays has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Intellectual Property Expert to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Expert's Report in the form and context in which it is included.

10.8 Expenses of the Offers

The expenses of the Offers (excluding GST) are estimated to be between approximately \$298,000 (Minimum Subscription) and \$390,000 (Full Subscription) and are expected to be applied towards the items set out in the table below.

Items of expenditure	Amount (Minimum Subscription)	Amount (Full Subscription)
Capital raising fees	\$150,000	\$240,000
Legal fees	\$70,000	\$70,000
Accounting and Independent Accountant's Report	\$10,000	\$10,000
ASIC fees	\$2,500	\$2,500
ASX fees	\$63,000	\$65,000
Other expenses	\$2,500	\$2,500
Total estimated expenses	\$298,000	\$390,000

10.9 Continuous disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.10 Litigation

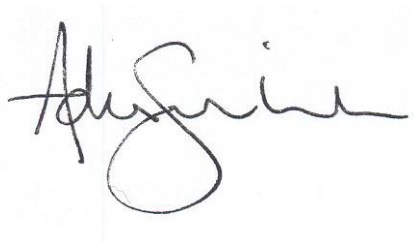
To the knowledge of the Directors, the Company is not involved in any litigation that is material for the purposes of this Prospectus. The Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

11. DIRECTORS' AUTHORISATION

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Existing Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', is written over a light blue grid background.

Adam Sierakowski
Chairman
26 May 2015

12. DEFINITIONS

App is an abbreviation for application, and refers to a small specialist software programme that can be downloaded onto a mobile device that is connected through a wireless connection such as a mobile network or Wi-Fi connection.

App Store are the retail outlet for where Apps can be obtained either free of charge or for purchase, and provide a single location from where consumers can search, obtain and download Apps onto their device.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.02 per Share pursuant to the Public Offer. No application monies will be payable pursuant to the Vendor Offer or the Facilitation Offer.

Application Forms means the Public Offer Application Form and/or the Vendor Offer Application Form and/or the Facilitation Offer Application form, as the context requires – see Sections 13, 14 and 15 of this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Board means the board of directors of the Company.

Business Day means Monday to Friday except for any day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offers closes which is 5.00pm (WST) on 12 June 2015 or such other time and date as the Board determines.

Completion Date means the completion date under the Share Sale Agreement.

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

Consideration Shares means the 93,750,000 Shares (on a post-Consolidation basis) offered to the ResApp Vendors and UniQuest under this Prospectus pursuant to the Vendor Offer.

Consolidation means the 3 for 8 consolidation of the capital of the Company to be approved at the General Meeting.

COPD means chronic obstructive pulmonary disease.

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd (ACN 088 055 636).

Director means a director of the Company.

Existing Directors means Mr Adam Sierakowski, Dr Robert Ramsay and Mr Chris Ntoumenopoulos, further details of whom are provided at Section 8.2.

Facilitation Offer means the offer of a total 18,749,999 Facilitation Shares under this Prospectus (on a post-Consolidation basis) to Trident Capital (as to 9,375,000 Facilitation Shares on a post-Consolidation basis), Seamist (as to 6,250,000 Facilitation Shares on a post-Consolidation basis), SOBOL Capital (as to 2,109,375 Facilitation Shares on a post-Consolidation basis) and CPS Capital (as to 1,015,624 Facilitation Shares on a post-Consolidation basis) for facilitating the acquisition of ResApp.

Facilitation Offer Application Form means the Application Form attached to and forming part of this Prospectus at Section 15.

Facilitation Shares means the Shares offered to the Facilitators under this Prospectus pursuant to the Facilitation Offer.

Facilitators means Trident Capital, Seamist, SOBOL Capital and CPS Capital.

Full Subscription means the raising of \$4,000,000 by the acceptance of applications for 200,000,000 Shares at \$0.02 each pursuant to the Public Offer.

General Meeting means the general meeting of Shareholders to be held on 27 May 2015 and described in Section 2.3.

Investigating Accountant means BDO Corporate Finance (WA) Pty Ltd.

Licensed IP has the meaning given in the Sub-Licence.

Merged Group means the Company and ResApp as a consolidated entity.

Milestone means:

- (a) ResApp and any subsidiaries of ResApp; and
- (b) if the Company or any Related Entity of the Company is licensed to use Licensed IP, the Company and that Related Entity;

achieving aggregated gross revenue of \$20,000,000 in the five years commencing on the day the Company is readmitted to quotation on ASX after recompliance with Chapters 1 and 2 of the Listing Rules.

Minimum Subscription means the raising of \$2,500,000 by the acceptance of applications for 125,000,000 Shares at \$0.02 each pursuant to the Public Offer.

Mobile Health App are a medical device that are mobile Apps and meet the definition of a medical device and are an accessory to a regulated medical device or transform a mobile platform into a regulated medical device.

Offer Price means \$0.02 per Share under the Public Offer.

Opening Date means the first date for receipt of completed Application Forms which is 9:00am WST on 27 May 2015.

Ordinary Resolutions means each of the resolutions (other than the Special Resolutions) to be voted on at the General Meeting (and described in Section 2.3).

Performance Shares means the 93,750,000 Performance Shares (on a post-Consolidation basis) in the Company, having the terms set out in Section 10.2, offered to the ResApp Vendors and UniQuest pursuant to the Vendor Offer.

Placement Options means free attaching options which have been issued to sophisticated investors on a 1 for 2 basis when the Placement Shares were issued, having the terms in section 10.3.

Placement Shares means Shares which have been issued to sophisticated investors under earlier placements, as well as a placement of 10,000,000 Shares to Trident Capital which will be approved at the General Meeting.

Proposed Acquisition means the proposed for the acquisition of shares in ResApp pursuant to the Share Sale Agreement, as described in section 2.1.

Proposed Directors means Dr Tony Keating and Dr Roger Aston, further details of whom are provided at section 8.3.

Prospectus means this replacement prospectus dated 26 May 2015.

Public Offer Application Form means the Application Form attached to and forming part of this Prospectus at Section 13.

Public Offer means the offer of up to 200,000,000 Shares (on a post-Consolidation basis) to the public at an offer price of \$0.02 each pursuant to this Prospectus to raise up to \$4,000,000 before costs.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Related Entity in relation to a corporation means:

- (a) a Related Body Corporate of that corporation; and
- (b) a trustee of any unit trust in relation to which that corporation, or any corporation referred to in paragraph (a), directly or indirectly:
 - (i) controls the right to appoint the trustee;
 - (ii) is in a position to control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or
 - (iii) holds or is in a position to control the disposal of more than one half of the issued units of the trust.

ResApp means ResApp Diagnostics Pty Ltd (ACN 600 972 192).

ResApp Vendors means the existing holders of all the issued capital of ResApp (prior to the acquisition by UniQuest of shares in ResApp), details of which are set out in Section 1.2.

Resolutions means the Ordinary Resolutions and the Special Resolutions.

Seamist means Seamist Enterprises Pty Ltd (ACN 133 740 655).

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

Shareholder means a holder of one or more Shares.

Share Registry means Link Market Services Limited (ACN 083 214 537) of Level 4 Central Park, 152 St Georges Terrace, Perth, Western Australia, 6000.

Share Sale Agreement means the Share Sale Agreement dated 20 February 2015 between the Company, ResApp, the ResApp Vendors and UniQuest as varied by a letter of variation on 4 May 2015.

Smartphones are a type of mobile phone that offer advanced functionality beyond voice calls and SMS services, including the ability to access the internet and access Apps.

SOBOL Capital means SOBOL Capital Pty Ltd (ACN 126 969 800).

Special Resolutions means the special resolutions to be voted on at the General Meeting to create the Performance Share class (as described in Section 2.3) and to change the name of the Company (as described in Section 2.3).

Sub-Licence means the licence agreement executed between UniQuest and ResApp dated on or about 26 September 2014 as varied by a variation deeds on 20 February 2015 and 4 May 2015.

Tablets are general purpose computers contained in a single panel and commonly use a touch screen as the input device.

Trident Capital means Trident Capital Pty Ltd (ACN 100 561 733).

UQ means The University of Queensland.

UniQuest means UniQuest Pty Ltd (ACN 010 529 898) of General Purpose South Building, Level 7, Staff House Road, The University of Queensland, Queensland, which will become a holder of issued capital of ResApp prior to the Completion Date.

Vendor Offer means the offer of 93,750,000 Shares and 93,750,000 Performance Shares (both on a post-Consolidation basis) to the ResApp Vendors and UniQuest under this Prospectus.

Vendor Offer Application Form means the Application Form attached to and forming part of this Prospectus at Section 14.

WST means Western Standard Time, being the time in Perth, Western Australia.

13. PUBLIC OFFER APPLICATION FORM

PUBLIC OFFER APPLICATION FORM AND INSTRUCTIONS
Narhex Life Sciences Limited ACN 094 468 318

Please read all instructions on the reverse of this form

A Number of Shares applied for
(Minimum of 100,000 Shares then multiples of 25,000 Shares)

	at \$0.02 per Share	A\$
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You may be allocated all of the Shares above or a lesser number

B Total amount payable by cheque(s) for Shares

C Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

[illegible]

Name of applicant 2 or <Account Designation>

[illegible]

Name of applicant 3 or <Account Designation>

[illegible]

F Write Your Full Postal Address Here

Number/Street

[illegible][illegible]

Suburb/Town

[illegible]

G	Chess HIN (if applicable)
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[illegible]

H Cheque payment details please fill out your cheque details and make your cheque is payable to “Narhex Life Sciences Limited”

Drawer

Cheque Number

BSB Number

Account Number

Total amount of cheque

Payee:	Cheque Number:	DOB Number:	Passbook Number:	Total amount of cheque
				\$

I You should read the Replacement Prospectus dated 26 May 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus and I/we are eligible to apply for Shares under the Prospectus having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Narhex Life Sciences Limited; and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares.

Return of this Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company under the Public Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only	
Broker reference – Stamp only	
Broker Code	Adviser Code

D Tax File Number(s)
Or exemption category

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F	Contact Details
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Contact Name

Contact telephone number

()

State/postcode

State/procedure	

Guide to the Public Offer Application Form

This Application Form relates to the offer of Shares in Narhex Life Sciences Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Narhex Life Sciences Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 100,000 Shares and thereafter in multiples of 25,000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.02.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Narhex Life Sciences Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.

Make your cheque payable to "Narhex Life Sciences Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

- I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Narhex Life Sciences Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form with cheque(s) attached to:

Delivered to: Narhex Life Sciences Limited c/- Trident Capital Level 24, St Martin's Tower 44 St Georges Terrace PERTH WA 6000	Posted to: Narhex Life Sciences Limited c/- Trident Capital PO Box Z5183 St Georges Terrace PERTH WA 6831
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Application Forms must be received no later than 5.00pm (WST) on 12 June 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Narhex Life Sciences Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

14. VENDOR OFFER APPLICATION FORM

VENDOR OFFER APPLICATION FORM AND INSTRUCTIONS

Narhex Life Sciences Limited ACN 094 468 318

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

category

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Replacement Prospectus dated 26 May 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the constitution of Narhex Life Sciences Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**C Tax File Number(s)
Or exemption**

E Contact Details

Contact Name

Contact daytime telephone

State/postcode

Guide to the Vendor Offer Application Form

This Application Form relates to the offer of Shares in Narhex Life Sciences Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Narhex Life Sciences Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Narhex Life Sciences Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Narhex Life Sciences Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

Delivered to: Narhex Life Sciences Limited c/- Trident Capital Level 24, St Martins Tower 44 St Georges Terrace PERTH WA 6000	Posted to: Narhex Life Sciences Limited c/- Trident Capital PO Box Z5183 St Georges Terrace PERTH WA 6831
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Application Forms must be received no later than 5.00pm on 12 June 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Narhex Life Sciences Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

15. FACILITATION OFFER APPLICATION FORM

FACILITATION OFFER APPLICATION FORM AND INSTRUCTIONS

Narhex Life Sciences Limited ACN 094 468 318

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

category

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Replacement Prospectus dated 26 May 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the constitution of Narhex Life Sciences Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**C Tax File Number(s)
Or exemption**

E Contact Details

Contact Name

Contact daytime telephone

State/postcode

Guide to the Facilitation Offer Application Form

This Application Form relates to the offer of Shares in Narhex Life Sciences Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Narhex Life Sciences Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Narhex Life Sciences Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

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- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Narhex Life Sciences Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

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Delivered to: Narhex Life Sciences Limited c/- Trident Capital Level 24, St Martins Tower 44 St Georges Terrace PERTH WA 6000	Posted to: Narhex Life Sciences Limited c/- Trident Capital PO Box Z5183 St Georges Terrace PERTH WA 6831
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Application Forms must be received no later than 5.00pm on 12 June 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

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Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son