

health corporation Limited

ACN 116 800 269

14 May 2012

ASX Announcement

HEALTH CORPORATION TO ACQUIRE SENEGAL GOLD PROJECTS

The Directors of Health Corporation Limited (**HEA** or the **Company**) are pleased to announce the Company has executed a Merger Implementation Agreement (**MIA**) to acquire 100% of the issued capital of Erin Mineral Resources Limited (ACN 128 093 354) (**Erin**), an unlisted Australian public company with advanced gold exploration assets in Senegal, West Africa (**Acquisition**). Settlement is subject to completion of due diligence by 31 May 2012 and satisfaction of other conditions under the MIA.

Erin's directors unanimously support the terms of the agreement and together hold approximately 18.5% of the total shares on issue in Erin through their controlled entities. Each of Erin's directors has indicated they will accept HEA's offer to acquire their Erin shares, and will recommend to all Erin shareholders to accept the terms of the HEA offer.

Erin holds various interests in six (6) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou, Woye, Garaboueya South and Balakonko gold projects (**Projects**). Erin holds 100% of the issued share capital in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**).

The Acquisition is deemed a significant change in the nature and scale of the Company's activities and, as a result, the Company will be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules and is subject to HEA shareholder approval.

HIGHLIGHTS

- HEA has entered into a binding agreement to acquire 100% of Erin, which in turn holds various interests in six (6) prospective gold assets located in the Republic of Senegal. The Projects are the **Lingokoto, Bouroubourou, Wassadou, Woye, Garaboueya South** and **Balakonko** projects.
- Erin and its Projects have been funded and strongly supported by its major shareholders, that include two highly respected international resource investment funds.
- The Erin directors fully support and endorse the terms of HEA's offer under the MIA and strongly recommend Erin shareholders accept the terms of the offer.
- On completion HEA will become a gold focused exploration company, with Verona Capital Pty Ltd (**Verona**) providing an experienced operational and corporate executive team to manage the Company and its Projects.
- Verona Capital will take on the operational and corporate executive responsibilities of the Company, to be led by Mr Grant Davey. Mr Davey is an operational mining engineer with 20 years of gold mining experience globally, most of which has been in Africa.

- The Woye Project contains a linear gold in soil anomaly covering a strike length of approximately 7 kilometres coincident with major geological structures and artisanal workings. Randgold has recently announced important gold intersections in drilling near the southern boundary of the Woye Permit.¹
- The Bouroubourou Project lies 16 km northeast of Taranga Gold Corporation's Sabodala Mine (1.4Moz) and has areas of extensive artisanal workings in close proximity to the east.² Gold-in-soil anomalies extend over 3 km in two structurally controlled zones that are along strike to the west of these workings.
- The Lingokoto Project lies approximately 14 km west of Randgold Resources Limited's Loulo Gold Mine (12Moz) and includes 3 extensive zones of previously un-explored gold-in-soil anomalies.³
- The Garaboueya South Project is located on the margin of the Senegal-Mali Shear Zone that hosts the Sadiola Gold Mine (14Moz), the Loulo Gold Mine (12Moz) and the new Fekola discovery of Papillon Resources Limited.⁴ The Garaboueya South Permit lies 10 kilometres north west of Fekola and has a series of untested gold in soil anomalies.
- Senegal is a politically stable democracy with attractive foreign investment rules.

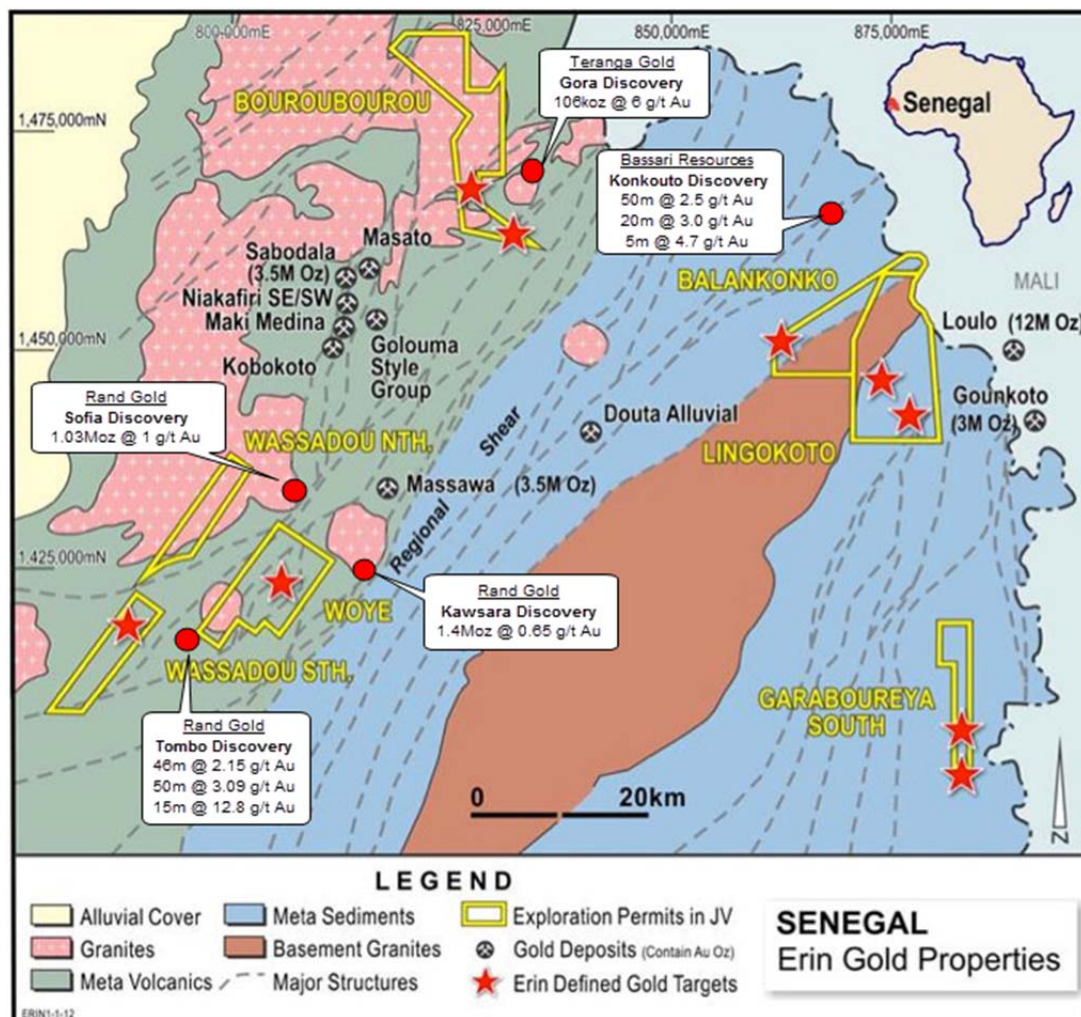


Figure 1: Location of Erin's Senegal Gold Projects

¹ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

² Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

³ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

⁴ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

About Senegal

The Republic of Senegal is a politically stable democratic country located to the south of the Sénégal River in West Africa. The country covers an area of approximately 196,000km², with a 531km coastline bordering on the Atlantic Ocean. Senegal is bordered by Mauritania to the north, Mali to the east, and Guinea and Guinea-Bissau to the south with Gambia included in the south central.

Senegal has a population of about 12.5 million (2011 est.). French is the primary language and it is taught in the educational system and used in commerce.

Commercial gold mining started in Senegal in 2009 and is in the early stages of development.

The mining industry is regulated by the Ministry of Mines and in 2003 Senegal adopted a new Mining Code. The law was formulated to attract mineral and resources development in the country. State involvement in mining is restricted to royalties which compare favourably with those encountered in countries with well developed mining industries.

Taxation incentives and tax holidays have been legislated in Senegal to attract investment. Erin being an exploration company will benefit from the tax holidays and incentives.

Geology

Geologically Senegal divides into two major geological domains; a sedimentary basin which underlies more than 75% of the country and a Precambrian basement block which occupies the south eastern part of the country.

The sedimentary basin contains large deposits of phosphates and heavy mineral sands. The Precambrian volcano-sedimentary basement sequences of the Kedougou Inlier, to the southeast, form part of a world class gold province.

The Kedougou Inlier falls with the Palaeo-Proterozoic aged Birimian terranes of the West Africa Craton. These terranes are composed of metamorphosed (low grade) volcanic, sedimentary and plutonic rocks together with low grade metavolcanics and metasediments.

The Kedougou Inlier is host to over 45 million ounces of gold resources.

The location of ERIN's projects in Senegal together with the regional geology is shown in Figure 1.

Exploration Background

The prospectivity of the Kedougou Inlier is highlighted by the tight tenement holding that exists and the presence of a number of major gold companies (IamGold Corporation and Randgold Resources Limited), and juniors developing significant operations (Teranga Gold Corporation, Oromin Explorations and Bassari Resources Limited).

Competitor activity has been high in the region generating many high quality and potentially world class prospects. Randgold Resources Limited, IamGold Corporation and Teranga Gold Corporation (formally MDL Limited) are the major players in the region. The active junior explorers are lead by ASX listed Bassari Resources Limited, Papillon Resources Limited and Golden Rim Resources Limited. Figure 1 details the location of the key recent discoveries in the region and highlights the close proximity to ERIN's ground position.

THE PROJECTS

Woye Project

The Woye exploration permit 01814 (**Woye Permit**), is held by Mining Research Company Society Ltd (**MRC**). Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permit. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a positive feasibility study.

The Woye Permit covers an area of approximately 95 km² and is located along strike to the south of the Sabodala Gold Mine and the Massawa deposit.⁵

The area was previously held by Randgold Resources Limited who undertook rock chip sampling, soil sampling and very limited drilling in some areas of the permit.

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area. The programme identified a linear gold anomalous zone, extending over 7 kilometres long, with associated artisanal workings linear structural zones.

The main gold anomalism (central to the permit) occurs in an area of anastomosing structures (dilation) and was not tested by the work completed by Randgold, with the exception of a few rock chip samples.

Recently Randgold has announced the results of a discovery at Tombo near to the south-western boundary of the Woye Permit (Figure 1). Possible extensions into the Woye Permit, and identified artisanal workings provide an immediate target.

Bouroubourou Project

Erin has the right, pursuant to the terms of a joint venture agreement with AfriGem SL, to acquire an 80% interest in exploration permit 10332 (**Bouroubourou Permit**) held by AfriGem SL. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a bankable feasibility study.

The Bouroubourou Permit covers an area of approximately 123 km² and is located approximately 16 kilometres northeast of the Sabodala Gold Mine.⁶

Erin has completed regional geological and regolith mapping together with regional soil sampling on an 800 metre by 800 metre grid. Infill soil sampling on a spacing of 120 metres by 40 metres commenced late in 2011 and is continuing over anomalous areas identified in the regional soil sampling programme (red zones).

To date two splay structures, the northern hosting extensive artisanal gold workings, have been identified to the east of the tenement. The workings are within sub-vertical quartz vein sets, central to the shear zones. The two lines of artisanal gold workings extend over 500 metres and 300 metres, and occur along a structure which is interpreted to be within the extension of the structural zone which hosts the Sabodala Mine to the south of the permit.⁷

Based upon the results of the work completed and geological observations in the field, the gold mineralisation is interpreted to be associated with two northeast trending shear zones which form as splays from the regional structural trend. The first and second-order shear zones/fault-splays to the regional shear zones provide favourable structural settings for gold mineralisation. The mineralised zones currently have a

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strike potential of around 3 kilometres each and present targets for immediate follow up leading to drill evaluation.

Lingokoto Project

Erin has the right, pursuant to the terms of a joint venture agreement with AfriGem SL, to acquire an 80% interest in exploration permit 10333 (**Lingokoto Permit**) held by AfriGem SL. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a bankable feasibility study.

The Lingokoto Permit covers an area of approximately 161 km² and is located near the border with Mali, approximately 14 km west of the operational Loulo Gold Mine, a 100 million tonne deposit at greater than 4g/t Au.⁸ The Loulo Mine is situated in a similar geological setting to that which is present within the Lingokoto Permit.

Erin has completed regional geological and regolith mapping together with regional soil sampling on an 800 metre by 800 metre grid. Anomalous areas have been defined from the regional soil sampling programme (red zones). Lower order anomalies are defined due to the thick cover that exists throughout the permit area.

There is no evidence of modern exploration having taken place within the licence.

The gold anomalism occurs over extensive areas of the volcano-sedimentary rocks and is crossed by northeast trending structures.

Elevated boron values are coincident with the gold anomalies occurring within the andesite volcanics and the calcareous volcanoclastics. Elevated boron levels are potentially indicative of the occurrence of tourmaline. The gold mineralisation at the Loulo Mine has a close association with tourmaline.

The presence of areas of un-explored anomalous gold geochemistry within a structural and geological setting having analogies to the nearby major gold mining operation provides a high quality exploration target for further evaluation.

Balakonko Project

The Balakonko exploration permit 07787 is held by Mining Research Company Society Ltd (**MRC**). Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permit. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a positive feasibility study. The Balakonko Permit covers an area of approximately 84 km² and is located directly north of the Lingokoto Project permit.

There is no evidence of modern exploration having taken place within the licence.

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The programme identified a number of point gold anomalies within units of mafic graphitic schists and quartzite/chert. The gold anomalism occurs in a sediment package that Bassari Resources has had recent success in identifying a number of gold prospects and is in the process of resource definition drilling some of these.⁹

⁸ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

⁹ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

Garaboureya South Project (Southern Portion)

The Garaboureya Project is made up of two parts, a northern portion and a southern portion. The Garaboureya South Permit that is included in the Erin joint venture tenements, covers an area of approximately 37 km² and is located south of the Lingokoto Permit. Erin does not have any interest in the Garaboureya North Permit.

The Garaboureya South exploration permit 07786 is held by Mining Research Company Society Ltd (**MRC**). Erin has the right, pursuant to the terms of a joint venture agreement with MRC, to acquire an 80% interest in the exploration permit. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a positive feasibility study.

Here also there is no evidence of modern exploration having taken place within the licence.

Erin undertook regional soil sampling on a 400 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The area is dominated by extensive lateritic and iron hard-cap cover. The programme identified a number of gold anomalous areas, despite the cover, that appear to be associated with dilation structures of the Mali-Senegal Shear Zone.

The project is located approximately 10 kilometres from Papillon Resources Limited's recent Fekola discovery in Mali. Papillon have reported substantial gold drill intersections at this project. This mineralised zone has the features of a multi million ounce deposit at open cut depths.

Wassadou Project

The Wassadou Project is made up of the Wassadou North exploration permit application (**Wassadou North Permit**) and the Wassadou South exploration permit 12907 (**Wassadou South Permit**). The permits are held by Societe des Mines du Senegal (**SODEMINES**). The Wassadou North Permit is still in the process of being granted.

Erin is currently in joint venture agreement negotiations with SODEMINES in respect of the Wassadou South Permit. Pre-joint venture agreements with SODEMINES, as part of Erin's due diligence process, give Erin the right, pursuant to the terms of a joint venture agreement with SODEMINES, to acquire a 77.5% interest in the two exploration permits. Under the terms of the agreement, Erin is required to solely fund all exploration expenditure until completion of a positive feasibility study.

The Wassadou North Permit is still in the process of being granted and covers an area of approximately 40 km². It is located along strike to the south of the Sabodala Gold Mine and Oromin deposit.¹⁰

The Wassadou South Permit covers an area of approximately 52 km² and is located along strike further to the south of the Wassadou North Permit.

Wassadou North

Erin completed regional soil sampling on a 400 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area. Interpretation and reporting of the results is ongoing.

¹⁰ Please note, this does not necessarily imply that discoveries will be made on the proposed Senegal projects.

Wassadou South

Erin undertook regional soil sampling on an 800 metre by 400 metre grid to establish whether potential for gold mineralisation existed within the tenement area.

The programme identified a low order gold anomaly occurring in the northern portion of the permit associated with a known “primary” gold occurrence. The gold occurrence is also associated with a sigmoidal “tie” structure between two faults (dilation zone), and has a strong correlation with copper and tellurium (the latter possible indicating an epithermal association). There is also patchy gold anomalism in the middle of the permit that is worthy of further investigation.

Table 1 – Summary of Erin Licenses in Senegal

License	Area (km2)	License Issued	JV Partner	Erin Ownership of Final project *
Bouroubourou	121.3	1/12/2010	AfriGem	80%
Lingokoto	157	1/12/2010	AfriGem	80%
Woye	94.45	26/02/2010	MRC	80%
Balakonko (renewal pending)	83.8	13/08/2009	MRC	80%
Garaboueya (renewal pending)	52.2	13/08/2009	MRC	80%
Wassadou North	52.4	1/02/2012	SOEMINES	77.5%
Wassadou South	52.4	18/11/2011	SOEMINES	77.5%
Total	613.55			

*GOS may have free carry of 10% of the project

TRANSACTION TERMS

The Company has entered into a Merger Implementation Agreement with Erin Mineral Resources Limited pursuant to which it will make offers to acquire 100% of the issued share capital in Erin (via separate offers to all Erin shareholders).

Erin’s directors unanimously support the terms of the MIA and together hold approximately 18.5% of the shares in Erin through their controlled entities. Each of Erin’s directors has indicated they will accept HEA's offer to acquire their Erin shares, and will recommend to all Erin shareholders to accept the Company’s offer terms.

Erin is the holder of a 100% interest in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**). In addition, Erin Resources holds various interests in the Lingokoto, Bouroubourou, Wassadou, Woye, Garaboueya and Balakonko gold projects located in Senegal (**Projects**).

The material terms of the Agreement are set out below.

Due Diligence

Both parties have until 31 May 2012 to conduct a legal, technical and financial due diligence on the other. Both parties can walk away from the transaction within this period if due diligence is not satisfied or extended.

Consideration

In exchange for the Company acquiring 100% of the issued share capital in Erin, the Company will issue, by way of consideration on a pre-consolidation basis, the following to the Erin Shareholders (in proportion to their existing holdings in Erin):

- (a) 250,000,000 fully paid ordinary shares in HEA (**Shares**); and
- (b) 130,000,000 unquoted Shares subject to a voluntary holding lock (**VHL Shares**) which will 'vest' (and be released) only upon the earlier of the following being satisfied:
 - (i) a change in control of the Company; or
 - (ii) the Company achieving an enterprise value of A\$25 million for ten (10) consecutive trading days (**Vesting Condition**),

(together, the **Consideration Securities**).

The Company will apply for quotation of the VHL Shares upon the Vesting Condition being satisfied or a change of control of the Company occurring.

If there is no change of control of the Company and the Vesting Condition is not satisfied by the date that is 5 years after the date of issue of the VHL Shares, HEA will conduct either a reduction of capital or a share buyback (at a price of \$0.000001 per VHL Share) of the VHL Shares, subject to compliance with the Corporations Act.

The Consideration Securities will be subject to escrow conditions in accordance with the ASX Listing Rules.

Erin Loan Facility

Subject to the Company being satisfied with its due diligence investigations, the Company will provide a loan facility to Erin up to \$900,000 to be applied towards advancing the priority exploration activities on the Projects (**Loan**) during the period up to completion. Both parties will use their best endeavours to pre-agree where the funds will be applied on the Projects under the Loan facility. The Loan will be interest-free and unsecured with the Loan will be treated as an intercompany loan between the parties following completion of the Acquisition.

If the Agreement is terminated (for whatever reason) prior to completion of the Acquisition, Erin must, at its election, either:

- (a) repay the full amount of the Loan to HEA;
- (b) convert the Loan to fully paid ordinary shares in the capital of Erin (**Erin Shares**) (at the price Erin Shares are issued under Erin's next capital raising); or
- (c) repay part of the Loan in cash and convert the balance of the Loan to Erin Shares (at the price Erin Shares are issued under Erin's next capital raising),

on the date of completion of Erin's next capital raising.

Termination

The Agreement will automatically terminate if (amongst other things), on or before completion:

- (a) HEA fails to acquire 100% of the Erin Shares as a result of each Erin Shareholder accepting the offer from HEA;

- (b) HEA fails to obtain all regulatory and shareholder approvals required by HEA in order to give effect to the Acquisition (unless otherwise waived in writing by HEA);
- (c) Erin fails to obtain all regulatory approvals required by Erin in order to give effect to the Acquisition;
- (d) HEA fails to obtain sufficient applications to meet the minimum subscription under the Prospectus;
or
- (e) Erin fails to obtain any consents required, under the terms of any material contract to which it is a party, to the change of control of Erin as a result of the Acquisition.

Furthermore, if completion has not occurred by 31 December 2012 (or such later date as agreed by the parties in writing) the Agreement will automatically terminate between the parties.

Priority Offer

The Company has agreed to offer to all eligible Erin shareholders the opportunity to apply for 50% of all the HEA Shares the subject of the Capital Raising pursuant to a Prospectus (as defined below) in priority to all other applicants (**Priority Offer**).

Placement

On or before 15 June 2012, the Company will complete a placement of:

- (a) 35,000,000 Shares to Verona in consideration for the provision of corporate and technical executive team to manage the Project operations ; and
- (b) 25,000,000 Shares to sophisticated investors (to be placed at the discretion of Verona) to raise net proceeds of \$250,000 before costs

(together the **Placement**).

NEW BOARD APPOINTMENTS

The directors of the Company (**Directors**) recognise that to manage the exploration activities associated with the Projects, additional management expertise in the gold mining industry with experience in Senegal and West Africa is required and propose that, subject to completion of the Acquisition, the following Directors of Erin will join the HEA Board as Non-executive Directors:

- (a) **Mr Michael Houston MSc**
Mike Houston is currently the Managing Director of Erin and has twenty six years of mining and executive experience in Zimbabwe. He was previously responsible for all the mining activities of the Anglo American Corporation Zimbabwe Limited group of companies. Mike was recently instrumental in the development of Zimbabwe Platinum Mines as CEO and Chairman of Zimplats Holdings Ltd, an Australian Securities Exchange listed company. He is currently a Non-executive director of Zimplats Holdings Ltd and Hana Mining Ltd (a Canadian listed company).
- (b) **Mr Robert (Bob) Besley BSc (Hons)**
Bob is a geologist with more than 40 years' experience in the global mining industry and is a Non-executive Director of Erin. He was Managing Director of ASX listed CBH Resources Limited from its inception and oversaw its growth to become a major Australian lead-zinc-silver producer. He is a Non-executive director of KBL Mining Limited and Queensland Mining Limited and is Chairman of Silver City Minerals Limited.

Mr David Chapman will resign from his position as Non-executive Director of the Company completion of the Acquisition. Mr Jim Malone and Mr Jason Davis will remain as Non-executive Chairman and Non-executive Director of the Company.

CHANGE OF NAME

The Company will change its name as a result of the Acquisition. Details of the name change will be provided in the Notice of Meeting, which will require the approval of shareholders.

CAPITAL RAISING

In order to fund the Acquisition and to re-comply with Chapters 1 & 2 of the ASX Listing Rules, the Company intends to undertake a capital raising through the issue of shares to raise at least \$2,000,000 (**Capital Raising**).

The Capital Raising will be completed pursuant to a full form prospectus that is expected to be available in July 2012.

The Company will also be undertaking a consolidation of capital in accordance with ASX Listing Rule requirements (**Consolidation**).

On or around completion of the Capital Raising, the Company will also issue 40,000,000 unlisted options (on a pre-consolidated basis) to Verona Capital Pty Ltd exercisable at the price at which shares are issued under the Capital Raising on or before 30 June 2017. These unlisted options will be consolidated on the same ratio as all the existing securities as required for re-compliance under the Listing Rules.

PRO FORMA CAPITAL STRUCTURE ON COMPLETION OF THE TRANSACTION

All the securities as set out below are based on the existing capital structure and shown on a pre-consolidation basis:

Shares	Number
Existing Ordinary Shares	190,000,000
Vendor Shares*	250,000,000
Verona Shares	35,000,000
Placement Shares	25,000,000
Capital Raising and Priority Offer Shares	100,000,000
TOTAL	600,000,000
VHL Shares	Number
Vendor VHL Shares*	130,000,000
TOTAL	130,000,000
Options	Number
Verona Options#	40,000,000
TOTAL	40,000,000

*Together these comprise the Consideration Securities.

#The number of Verona Options are represented in the table on a pre-consolidation basis. The options will be exercisable at the price at which shares are issued under the Capital Raising and will expire on 30 June 2017.

PRO FORMA BALANCE SHEET

A pro forma balance sheet showing the effect of the Acquisition, Consolidation and the Capital Raising on the Company is set out in Annexure A.

CHANGE TO NATURE AND SCALE OF ACTIVITIES – CHAPTER 11 OF THE ASX LISTING RULES

The acquisition of Erin constitutes a change to the nature and scale of the Company's activities.

As part of satisfying its requirements to re-comply with Chapters 1 and 2 of the ASX Listing Rules, the Acquisition must be approved by HEA's Shareholders at a general meeting (**Meeting**). The Company's Shareholders will receive a notice of meeting setting out various resolutions relating to the Acquisition (**Notice of Meeting**). A detailed explanatory statement will accompany the Notice of Meeting and will be distributed to all Shareholders prior to the Meeting.

In addition to the Notice of Meeting, HEA will issue a prospectus that will provide full disclosure of material matters to enable HEA to comply with Chapters 1 and 2 of the ASX Listing Rules (**Prospectus**).

The Company securities will be suspended on the date of the Meeting at which Shareholder approval for the Acquisition contemplated will be sought. Subject to approval being obtained, the Company's securities will remain suspended until the Company has recomplied with Chapters 1 and 2 of the ASX Listing Rules and completion of the Acquisition has taken effect.

INDICATIVE TIMETABLE

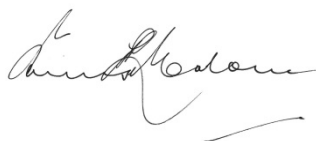
An indicative timetable for completion of the Acquisition, Consolidation and the Capital Raising is set out below:

Event	
Execution of Agreement	12 May 2012
Announcement of Merger	14 May 2012
Complete Placement	21 May 2012
Complete due diligence investigations	31 May 2012
Despatch Notice of Meeting seeking approval for Merger	15 June 2012
Lodgement of Prospectus with the ASIC	29 June 2012
Despatch of Prospectus	6 July 2012
Opening of Offer and Priority Offer for Capital Raising under the Prospectus	6 July 2012
General Meeting to approve Merger and Change in Nature and Scale of Activities	13 July 2012
Suspension of HEA's securities from trading on ASX at the opening of trading	13 July 2012
Ex Date – Consolidation	16 July 2012
Closing Date of Priority Offer under the Prospectus	20 July 2012

Closing Date of Offer for Capital Raising under the Prospectus	20 July 2012
Consolidation Record Date	23 July 2012
Despatch Date – Consolidation	30 July 2012
Completion of Merger and issue of Shares under Capital Raising	8 August 2012
Anticipated date the suspension of trading is lifted and HEA's securities commence trading again on ASX	13 August 2012

*This timetable is indicative only and subject to change. The Directors of HEA reserve the right to amend the timetable as the process moves towards Completion.

Yours faithfully



Jim Malone
Chairman
HEALTH CORPORATION LIMITED

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Fleming, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Fleming has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fleming consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**ANNEXURE A: PRO FORMA BALANCE SHEET
AS AT 31 DECEMBER 2011**

Consolidated Pro Forma Balance Sheet	Notes	HEA Consolidated Audit Reviewed 31-Dec-11 \$	Consolidated Proforma Post Completion \$
CURRENT ASSETS			
Cash and cash equivalents	1	756,663	3,006,663
Other receivables		25,791	25,791
TOTAL CURRENT ASSETS		782,454	3,032,454
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	2	-	2,500,000
TOTAL NON-CURRENT ASSETS		-	2,500,000
TOTAL ASSETS		782,454	5,532,454
CURRENT LIABILITIES			
Trade and other payables	3	68,083	318,083
TOTAL CURRENT LIABILITIES		68,083	318,083
TOTAL LIABILITIES		68,083	318,083
NET ASSETS		714,371	5,214,371
Shares on issue	4	190,000,000	600,000,000
Value per share		0.004	0.009
Notes:			
1. Reconciliation of cash and cash equivalent:			
Cash and cash equivalents at 31 December 2011		756,663	
Placement - 25,000,000 shares @ 1 cent each		250,000	
Capital Raising – assumes 100,000,000 shares @ 2 cents each		2,000,000	
Total cash post Completion		3,006,663	
2. Exploration and evaluation expenditure has been valued based on the market value of the shares issued for the purchase consideration paid to Erin shareholders.			
3. Trade and other payables- this is based off a 5% fee payable on a \$2,000,000 Capital Raising and fees to professional advisors and compliance costs, including ASX listing fees.			
4. Reconciliation of shares on issue are reconciled as follows:			
Current Shares on issue		190,000,000	
Vendor shares		250,000,000	
Placement shares		25,000,000	
Verona shares		35,000,000	
Capital Raising		100,000,000	
Total shares post Completion		600,000,000	