

Waymouth Resources Limited

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NSX ANNOUNCEMENT

Proposed transaction with Living Cell Technologies Ltd

Waymouth Resources Limited ("**WAY**" or "**the Company**") advises that it has agreed to acquire 3,332,353 ordinary shares in Living Cell Technologies Pty Ltd ("**LCT**") at a cost of \$1.1m, which will represent approximately 12% of LCT's issued capital. WAY has also executed a heads of agreement to acquire all of the shares it does not hold in LCT, the consideration being WAY shares.

Heads of Agreement

The salient terms of the Heads of agreement are:

1. WAY to acquire 100% of the issued shares and options in LCT,
2. Consideration to be 17 WAY shares for every 10 LCT shares,
3. Consideration to be 17 WAY options for every 10 LCT options,
4. The LCT directors to be appointed to the board of WAY on completion,
5. The current WAY directors to resign at completion.

Conditional Agreement

The agreement between WAY and LCT and the shareholders of LCT is conditional on, among other things:

- Completion of due diligence to the satisfaction of WAY and LCT;
- WAY shareholder approval of the proposed change in the nature and scale of WAY's activities; and
- Approval by Diatranz Limited's shareholders (who will be LCT's largest shareholder with 37% of the issued capital) of the transaction.

Shareholders Meeting

A shareholders meeting of WAY will be called to approve the following matters:

1. Change of nature and scale of activities and purchase of LCT,
2. Issue of approximately 36,121,822 WAY shares at \$0.20 each to the shareholders of LCT,
3. for acquisition by LCT shareholders of more than 20% of the issued capital of WAY,
4. Change of name to Living Cell Technologies Limited,
5. Issue of approximately 12,920,000 options,

6. The appointment of Professor Bob Elliott, David Collinson and Roger Coats as directors of the Company,
7. Such other resolutions as may be necessary to give effect to the proposed change of activities.

LIVING CELL TECHNOLOGIES

Background

The business of LCT is the development and marketing of treatments for haemophilia, diabetes and other autoimmune, neurodegenerative and metabolic diseases.

LCT's proprietary cell extraction and preparation processes, coupled with its understanding of cell delivery systems have created a novel technology platform that is intended to be used to further develop patented cell-based treatments.

Technology

LCT uses living cells to treat diseases rather than applying drugs or subjecting patients to full organ transplant. LCT creates immune protected zones similar to those naturally occurring in the body, avoiding the use of harmful immuno-suppression drugs.

Market Opportunity

Haemophilia has become one of the most expensive diseases to treat, over 1,600 people are affected by haemophilia in Australia. Current treatment costs up to \$110,000 annually for each patient. The global market for Fac8Cell is expected to be in excess of 20,000 patients.

Type 1 diabetics inject insulin many times each day, but despite this many may still develop complications of kidney failure, impaired vision, heart disease, stroke and limb loss resulting in a reduced lifespan. Over 176 million people are suffering from Type 1 and Type 2 diabetes worldwide with the number is doubling every 25 years.

The Products

Living Cell Technologies' first human liver cell product, the Fac8Cell, is a treatment for Haemophilia that is expected to work constantly in a patient's body and should not expose the patient to continual viral risks as experienced in previous Haemophilia treatments. DiaBCell is a revolutionary treatment for diabetes, it is regarded as having very significant economic potential given that diabetes is one of the most prevalent and expensive diseases in the world. To meet the great volume of cell production required, DiaBCell is trialing cells under TGA and FDA guidelines.

Scientific Committee

The Scientific Committee includes eminent academics and medical specialists including: Dr Robert Elliott, Emeritus Professor of Child Health at Auckland University; Professor Bob Seamark of Flinders University in Adelaide; Associate Professor Jenny Couper, a diabetes expert with the Women's and Children's hospital in Adelaide;

Professor John Court of Melbourne University and Doctor John Graham of the Ashford International Research Centre in Adelaide.

Clinical trials

The Fac8Cell product is undergoing preliminary trials and the DiaBCell product is commencing further pre-clinical trials in Singapore in October 2003.

Intellectual Property

LCT has over 12 national and international patents covering its products and technology platform. The patents have been developed over the past 15 years and modifications are updated continuing the current coverage of the Intellectual Property.

CAPITAL STRUCTURE

The table below shows the capital structure of WAY as it will be after the purchase of LCT;

Shares

	<i>Number</i>	<i>%</i>
Currently on Issue	12,787,500	26
To be issued to acquire LCT	36,121,822	74
Total ordinary shares on issue at Completion of the transaction	48,909,322	100

Options

	<i>Number</i>	<i>Exercise Price</i>	<i>Latest Exerc. Date</i>
Existing WAY options	1,000,000	\$0.22	30 June 2008
Options issued in exchange for LCT options	12,920,000	\$0.21	30 June 2010
Total Options	13,920,000		

Convertible Notes

5,429,027 WAY convertible notes issued in exchange for convertible notes in LCT.

Escrow Provisions

It is expected that a large proportion of shares and options to be issued to LCT shareholders will be subject to voluntary escrow.

BOARD COMPOSITION

At completion, nominees of LCT will be expected to be appointed to the board of WAY. The backgrounds of the three nominees are as follows:

Emeritus Professor Robert (Bob) Elliott – Chairman – Age 69

Dr. Elliott recently retired as Professor of Child Health at the Auckland University with extensive knowledge in Paediatric and diabetes related disorders. He was awarded the Companion of the New Zealand Order of Merit in 1999 and is considered to be one of the world leaders in diabetes and autoimmune related research.

David Collinson – Executive Director – Age 54

Mr Collinson has owned and managed clothing and healthcare businesses. In conjunction with Dr Elliott, Mr. Collinson founded the LCT technology platform 16 years ago and has been instrumental in creating the leading scientific team and establishing collaborations in Europe and the US.

Roger Coats– Executive Director – Age 41

Mr. Coats held senior positions with major international banks in London and Sydney specialising in Capital Markets Origination. Mr. Coats has been key in the preparation and structuring of LCT its risk management and strategic development.

PROPOSED TIMETABLE

Subject to NSX Listing Rules and Corporations Act requirements, WAY anticipates completion of the transaction in accordance with the following timetable (which is subject to change by WAY).

21 November 2003	WAY to despatch meeting notice in relation to change of activities.
22 December 2003	WAY to lodge prospectus if required as a result of its activities and the need to comply with the Listing Rules.
22 December 2003	WAY will hold its General Meeting at which the members will consider the resolutions needed to change the activities of the Company and the Company's name.

WAY will request a trading halt which it anticipates will commence on the day of the General Meeting and continue until it has complied with the Listing Rules.

Enquiries should be directed to:

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