Rules 4.3A

RESONANCE HEALTH LIMITED

ABN 96 006 762 492

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

This report has been prepared in compliance with ASX listing Rule 4.3A

Appendix 4E

Preliminary final report

Introduced 1/1/2003. Origin Appendix 4B

Name of entity

Resonance Health Limited

ABN or equivalent company reference	Preliminary final *(tick)*	Financial year ended ('current period')
ABN 96 006 762 492	✓	30 JUNE 2004

2. Results for announcement to the market

2.1 Revenues from ordinary activities	Up %	159%	to	$49,135
2.2 Profit (loss) from ordinary activities after tax attributable to members	Down		to	($1,263,193)
2.3 Net profit (loss) for the period attributable to members	Down		to	($1,263,193)

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *The Company is not proposing that any dividends be paid*	-¢	-¢
Previous corresponding period	-¢	-¢

2.5 Record date for determining entitlements to the dividend	N/A

2.6 Brief explanation of any of the figures reported above in 2.1 to 2.4 necessary to enable the figures to be understood:

2004 FINANCIAL YEAR HIGHLIGHTS

- **August 2003** -Company acquired 100% of IVB Holdings Pty Ltd, which in turn has a 51% controlling interest in Inner Vision Biometrics Pty Ltd (IVB). IVB owns and is commercialising the FerriScan technology – a novel, non-invasive technology for the diagnosis and monitoring of iron overload diseases.

- **October 2003** - Shareholders agree at General Meeting that the name of the company be changed from GEO2 Ltd to Resonance Health Limited to reflect the change of focus and major activity of the company. Shareholders also agreed to consolidate the existing number of ordinary shares on issue on a 10 for 1 basis.

- **October 2003** – Prospectus issued that successfully completed the following:

    1. Acquisition of 100% of IVB Holdings Pty Ltd via the issue of ordinary shares and options and performance shares and options to the target company shareholders.
    2. Raised additional working capital of $1.3 million via the issue of 13 million ordinary shares.

- **November 2003** – Company reconstruction completed with settlement of the takeover of IVB Holdings Pty Ltd and the appointment of a new board of directors and management team.

- **March 2004** – Commercial collaboration between IVB and MedTel UK Ltd, a division of the international radiology group Med-Tel to introduce the FerriScan test in the UK. The collaboration included the cooperation in technical and regulatory affairs, in organising on-going clinical evaluations, in the preparation of U.K. medical marketing materials, presentation of FerriScan to U.K. medical practitioners, and in liaison with private health insurers and the NHS regarding reimbursement for the test.

- **April 2004** – IVB signed an agreement with Novartis Pharma which expands the provision of FerriScan testing services to Novartis to include an additional three overseas clinical trials relating to iron overload diseases.

- **April 2004** –Submission lodged with the Australian Therapeutic Administration (TGA) for FerriScan.

About the Technology

Through the acquisition of IVB Holdings Pty Ltd which in turn had a 51% controlling interest in Inner Vision Biometrics Pty Ltd (IVB) the company acquired a controlling interest in the award winning FerriScan Technology – a novel, non-invasive liver diagnosis technology, designed to replace liver biopsy for the measurement of iron overload in the liver, and with potentially broader applications in other areas of liver disease such as fibrosis caused by hepatitis.

The liver is the major site of iron deposition in iron overload diseases and as a result is important in the detection and treatment of iron overload. Hereditary Haemochromatosis (HHC) is the most common form of iron overload disease in the western world, affecting approximately 1 in 200 people of European descent. In the USA, the incidence rate of HHC may be as high as 1 in 100 or approximately 4.0 million people. If left untreated, iron toxicity is a major cause of organ damage; particularly the liver, heart and pancreas.

FerriScan uses safe MRI technology and its own proprietary software to provide a safe, fast and reliable measure of a patient's liver iron concentration, allowing clinicians to assess the appropriate treatment (currently frequent phlebotomy "bleeding"). Part of the attraction of FerriScan is that the analysis can be undertaken here in Australia on liver scans transmitted from anywhere around the world.

The previous "gold standard" measurement for iron measurement was an invasive, unpleasant procedure known as liver biopsy, where a piece of liver is extracted from the patient by large gauge needle. Internal bleeding is a not uncommon side effect of this procedure. The FerriScan technology is currently being used on a test and research basis at more than 25 MRI centres around the world, including the USA, South America, Europe and Asia. In addition, a major multinational pharmaceutical company is using the FerriScan test to develop clinical data for iron measurement of patients in a phase III clinical trial.

FerriScan has an exciting and near term profitable future in the area of iron overload and exciting prospects in some other major disease areas particularly hepatitis. The company is continuing to expand the number of collaborations with researchers in areas where abnormal iron levels may be an indicator to other diseases or conditions including diabetes, heart disease and Alzheimers disease.

Resonance anticipates that the commercial roll out of the FerriScan technology in Australia and the UK will commence in later half of this calendar year. The timing of this roll out is dependent upon receipt of Therapeutic Goods Administration (TGA) registration of the FerriScan test. An application for registration of the FerriScan test was lodged with the TGA in April 2004 with registration targeted by the third quarter of 2004. The Company is also preparing documentation to seek US FDA approval to market FerriScan in this major market.

3. Statement of Financial Performance for the year ended 30 June 2004

	Note	2004 $	2003 $
Revenues from ordinary activities	1	**49,135**	**19,001**
Expenses from ordinary activities			
Consulting and professional services		(266,131)	-
Depreciation and amortisation expenses		(68,838)	-
Employee benefits expense		(707,258)	-
Marketing		(98,800)	-
Research and development		(473,069)	-
Statutory and compliance		(162,242)	-
Travel		(110,642)	-
Other expenses from ordinary activities	2	(182,432)	(403,726)
Loss from ordinary activities before income tax		**(2,020,277)**	**(384,725)**
Income tax benefit/(expense) relating to ordinary activities	3	-	-
Loss from ordinary activities after income tax		**(2,020,277)**	**(384,725)**
Profit from extraordinary item after income tax		-	6,487,283
Net Profit/(Loss)		**(2,020,277)**	**6,102,558**
Net loss attributable to outside equity interest		757,084	-
Net loss attributable to members of the parent entity		**(1,263,193)**	**6,102,558**

Notes to the Statement of Financial Performance

	2004 $	2003 $
Note 1.		
Revenue from operating activities		
Liver scan income	3,300	-
	3,300	-
Revenue from non-operating activities		
Interest	45,835	19,001
Total revenues from operating activities	**49,135**	**19,001**
Note 2.		
Expenses		
Depreciation of fixtures and equipment	17,883	-
Amortisation of goodwill	50,955	-
Lease rental expense – operating leases	93,272	-
Extraordinary items		
Gain on settlement of Deed of Company Arrangement (DOCA)	-	7,140,283
DOCA Payment	-	(653,000)
	-	6,487,283
Note 3.		
Operating Profit/(loss)	(2,020,277)	6,102,558
Less gain on settlement of DOCA	-	(7,140,283)
Plus DOCA Payment	-	653,000
Actual Operating Loss	(2,020,277)	(384,725)
Prima facie tax thereon at 30% (2002: 30%)	(606,083)	(115,418)
Tax effect on permanent differences:		
Amortisation not deductible	15,287	-
Income tax adjusted for permanent differences	(590,796)	(115,418)
Tax benefit of losses not brought to account	590,796	115,418
Total income tax expense/(credit) attributable to operating loss	-	-

4. Statement of Financial Position as at 30 June 2004

	Note	2004 $	2003 $
Current Assets			
Cash assets	1	1,272,680	716,977
Receivables	2	100,362	3,337
Other	3	12,128	-
Total Current Assets		1,385,170	720,314
Non-Current Assets			
Property, plant and equipment	4	79,115	-
Intangible assets	5	1,667,708	
Total Non-Current Assets		1,746,823	-
Total Assets		3,131,993	720,314
Current Liabilities			
Payables	6	224,325	29,346
Provisions	7	38,543	-
Total Current Liabilities		262,868	29,346
Total Liabilities		262,868	29,346
Net Assets		2,869,125	690,968
Equity			
Parent entity interest			
Contributed equity	8	49,447,853	45,857,640
Reserves		50,622	-
Accumulated losses	9	(46,429,865)	(45,166,672)
Total parent entity interest		3,068,610	690,968
Outside equity interest		(199,485)	-
Total Equity		2,869,125	690,968

4. Statement of Financial Position (continued)
Notes to the Statement of Financial Position

Note 1

(i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term-deposits at call. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2004 $	2003 $
Cash – interest bearing	1,272,680	716,977
Cash	1,272,680	716,977

Note 2 Receivables - Current

Other debtors	100,362	3,337
Total receivables	100,362	3,337

Note 3 Other Current Assets

Prepayments	12,128	-
Total other current assets	12,128	-

4. Statement of Financial Position (continued)
Notes to the Statement of Financial Position

Note 4 Property, plant and equipment

	2004 $	2003 $
Fixtures and Equipment		
At cost		
Opening balance	-	-
Additions	62,771	-
Additions through acquisition	39,030	-
Closing balance	101,801	-
Accumulated depreciation		
Opening balance	-	-
Depreciation	17,883	-
Depreciation through acquisition	4,803	-
Closing balance	22,686	-
Net book value	79,115	-
Total property, plant and equipment	79,115	

4. Statement of Financial Position (continued)
Notes to the Statement of Financial Position

Note 5 Intangible Assets

	2004 $	2003 $
Goodwill – on consolidation	1,718,663	-
Accumulated amortisation	(50,955)	-
Total intangibles	1,667,708	-

Note 6 Payables

	2004 $	2003 $
Trade creditors	95,926	29,346
Sundry creditors and accruals	128,399	-
Total payables	224,325	29,346

Trade creditors and sundry creditors and accruals are non-interest bearing and are normally on 30 day terms.

Note 7 Provisions (Current)

	2004 $	2003 $
Employee entitlements	38,543	-
Total current other provisions	38,543	-

4. Statement of Financial Position (continued)
Notes to the Statement of Financial Position

Note 8 Contributed Equity

	2004		2003	
	Number	**$**	**Number**	**$**
Issued and paid up capital				
60,603,543 ordinary shares (2003: 271,393,005 ordinary shares)	60,603,543	49,447,811	271,393,005	45,857,640

Movements during the period

Ordinary shares	Number of shares	Issue price	$
Balance at the beginning of the financial year	271,393,005		45,857,640
Consolidation of shares on a 10 for 1 basis	27,141,476	-	-
Shares issued:			
- Share placement	13,000,000	$0.10	1,300,000
- Shares issued on acquisition of IVB Holdings Pty Ltd	13,000,000	$0.10	1,300,000
- Exercise of options	1,346,152	$0.15	201,924
- Exercise of advisor options	1,509,000	$0.10	150,900
- Shares issued pursuant to share purchase plan	4,606,915	$0.187	861,496
Share issue expenses	-	-	(224,147)
Balance at end of financial year	60,603,543		49,447,812
Incentive shares			
Issue of Class A incentive shares	9,000,000	$0.0001	9
Issue of Classes C-F incentive shares	32,000,000	$0.0001	32
	41,000,000		41
Total	**101,603,543**		**49,447,853**

4. Statement of Financial Position (continued)
Notes to the Statement of Financial Position

Note 9 Accumulated Losses

	2004 $	2003 $
Accumulated losses at the beginning of the financial year	(45,166,672)	(51,269,230)
Net profit/(loss) attributed to members of Resonance Health Limited	(1,263,193)	6,102,558
Accumulated losses at the end of the financial year	(46,429,865)	(45,166,672)

5. Statement of Cashflows

	Note	2004 $	2003 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Receipts from customers		3,300	-
Payments to suppliers and employees		(1,423,913)	(380,069)
Interest received		45,835	19,001
Deed of Company Arrangement Payment		-	(600,000)
Net cash (used in)/provided by operating activities		(1,374,778)	(961,068)
Cash flows from investing activities			
Payments for plant and equipment		(62,771)	-
Payments for investments		(250,000)	-
Payments for research and development		(381,812)	-
Cash introduced on acquisition of controlled entity		284,230	-
Net cash provided by/(used in) investing activities		(410,353)	-
Cash flows from financing activities			
Proceeds from share issue		2,564,986	1,701,000
Payment of share issue costs		(224,152)	(22,955)
Bank overdraft compromised in Deed of Company Arrangement		-	226,838
Net cash provided by/(used in) financing activities		2,340,834	1,904,883
Net increase/(decrease) in cash held		555,703	943,815
Cash at the beginning of the financial year		716,977	(226,838)
Cash at the end of the financial year	1	1,272,680	716,977

6. Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable	N/A
+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
If it is a final dividend, has it been declared? *(Preliminary final report only)*	N/A

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Final dividend:	Current year	-¢	-¢	-¢
	Previous year	-¢	-¢	-¢
Interim dividend:	Current year	-¢	-¢	-¢
	Previous year	-¢	-¢	-¢

7. Details of dividend or distribution reinvestment plans in operation

N/A

8. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	2 cents	0.025cents

9. Control gained over entities having material effect

Name of entity (or group of entities)	Inner Vision Biometrics Pty Ltd
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	($1,031,991)
Date from which such loss has been calculated	12 November 2003
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	
Date to which the profit (loss) has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	

10. Details of aggregate share of profits (losses) of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
Total	N/A		N/A	N/A
Other material interests	-	-	-	-
Total	N/A		N/A	N/A

11. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Included in the expenses from ordinary activities are $210,000 of costs that relate to the previous board and management of GEO2 Ltd later renamed Resonance Health Ltd in November 2003. In addition $30,000 of costs relate to the Initial Public Offering (IPO) which were not capitalised as share issue costs.

12. Foreign entities set of accounting standards used in compiling the report (IAS)

N/A

13. Commentary on the results for the period.

13.1 Earnings per security (EPS)	Current period	Previous corresponding period
Basic EPS (cents per share)	(2.8)	4.4
Diluted EPS (cents per share)	(2.8)	4.4

The following reflects the profit or loss and share data used in the calculations of basic and diluted earnings per share:	**2004** **$**	**2003** **$**
Earnings used in calculation of basic and diluted earnings per share	(1,263,193)	6,102,588
Number of ordinary shares		
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	45,577,851	138,998,210

13.2 Returns to shareholders (Including distributions and buy backs)

	Current period $A'000	Previous corresponding period - $A'000
Ordinary securities *(each class separately)*	-	-
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	-	-

The were no dividend or distribution plans in operation during the period.

13.3 Significant features of operating performance

Refer to 2.6 and 11.0

13.4 Report on trends in performance

Refer to 2.6

13.5 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

14
Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for reporting periods commencing on or after 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year. Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period.

The company's management and Board are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the company's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The company's management and Board are of the opinion that the key potential implications in the company's accounting policies which will arise from the adoption of IFRS are:

Taxation

Under IFRS, tax assets and liabilities are recognised using the balance sheet approach rather than an income statement approach. In addition, tax assets are recognised when recovery is probable rather than assured beyond reasonable doubt and/or virtually certain. This will result in a change to the current accounting policy, under which deferred tax balances are determined using an income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

Impairment of assets

The company currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. In terms of AASB 136 "Impairment of Assets", the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Equity-based compensation benefits

Under AASB 2 "Share Based Payment", equity-based compensation to employees will be recognised as an expense in respect of the services received. This will result in a change to the current accounting policy, under which no expense is recognised for equity-based compensation.

15 This report is based on accounts to which one of the following applies.

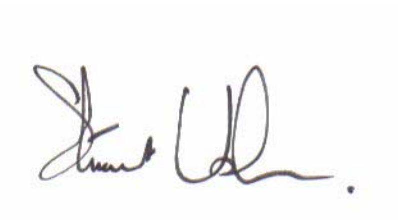
☐	The accounts have been audited.	☐	The accounts have been subject to review.
☒	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

17 If the accounts have not been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A



Signed
Stuart Usher
Joint CFO & Company Secretary

Date: 31 August 2004