

Commercialising the FerriScan™ Technology

"The Future of Liver Diagnosis"



Investor Update
May 2005

Resonance Health Limited (ASX:RHT)



- Resonance Health is a Healthcare service provider positioned for growth
 - Key Regulatory clearances for lead product (FerriScan) (US, Europe, Australia).
 - Significant strategic alliances established (DCA Group, Novartis), others imminent.
 - Initial sales of FerriScan achieved.
 - Pipeline of applications and products stemming from core technology.
- With acquisition of 100% of Inner Vision Biometrics on 31 May 2005
 - RHT shareholders will benefit from 100% of the returns from commercialisation of FerriScan™ technology.
 - RHT will realise efficiency gains and cost savings associated with single corporate entity, Board and Management.



What is the FerriScan technology?



- A safe, non-invasive and accurate test to measure liver iron concentration
- Utilises existing MRI equipment, proprietary software and a patented iron “marker” known as “R2”
- Provides clinicians around the world with a new and safe diagnostic tool to track liver iron levels in their patients on a regular basis
- Eliminates the need for a liver needle biopsy for liver iron measurement; replacing a painful, invasive procedure that has many shortcomings



Why Test for Iron Overload?

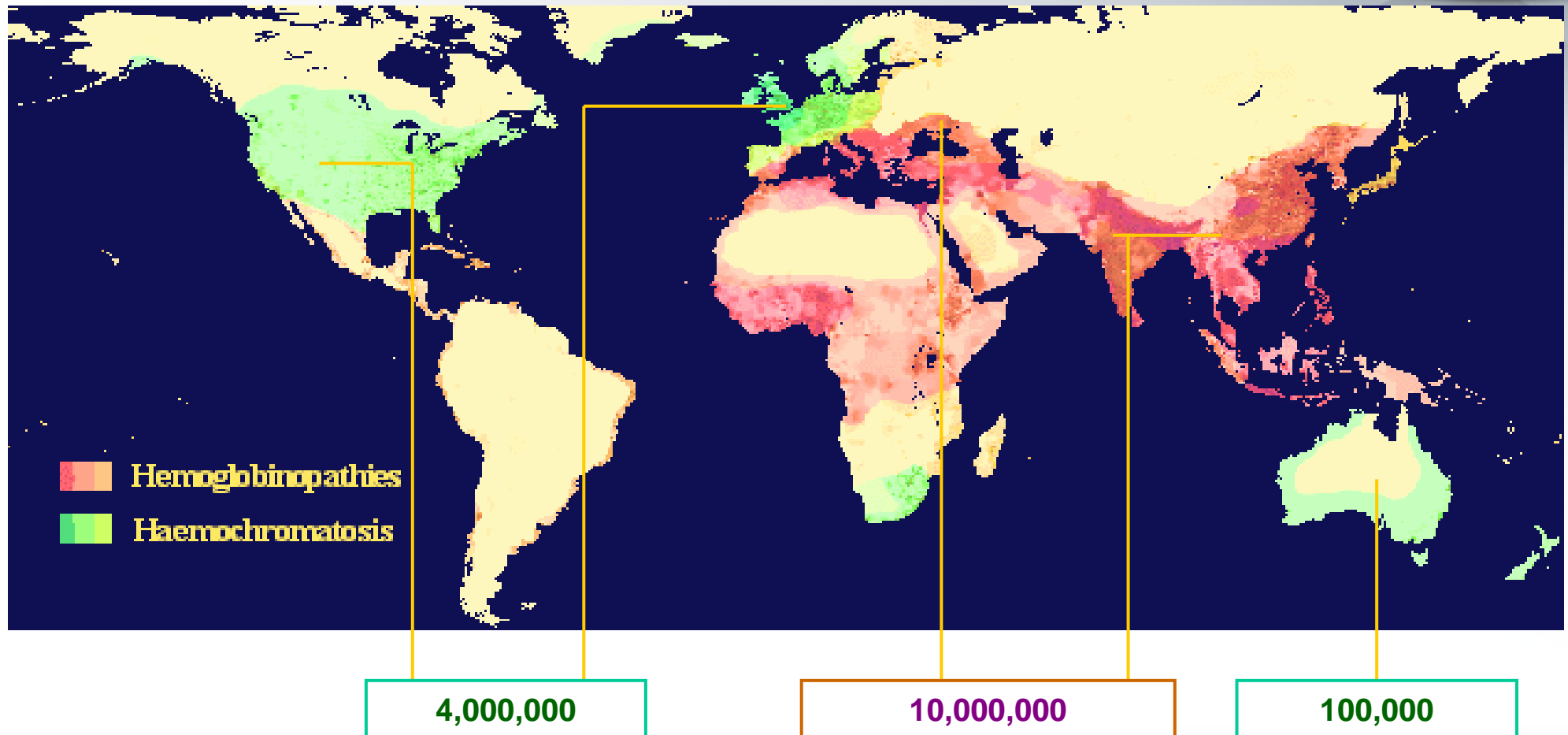


- Chronic disorders of iron metabolism are among the most common genetic diseases
 - Conditions include: haemochromatosis and haemoglobinopathies
 - More than 10 million people affected globally
- Excess iron accumulates in the body and, if left untreated, is a major cause of organ damage
 - Liver – fibrosis / cirrhosis
 - Heart – congestive heart failure and arrhythmia
 - Pancreas – diabetes, arthritis of the joints
- Iron overload has previously been difficult to detect and manage

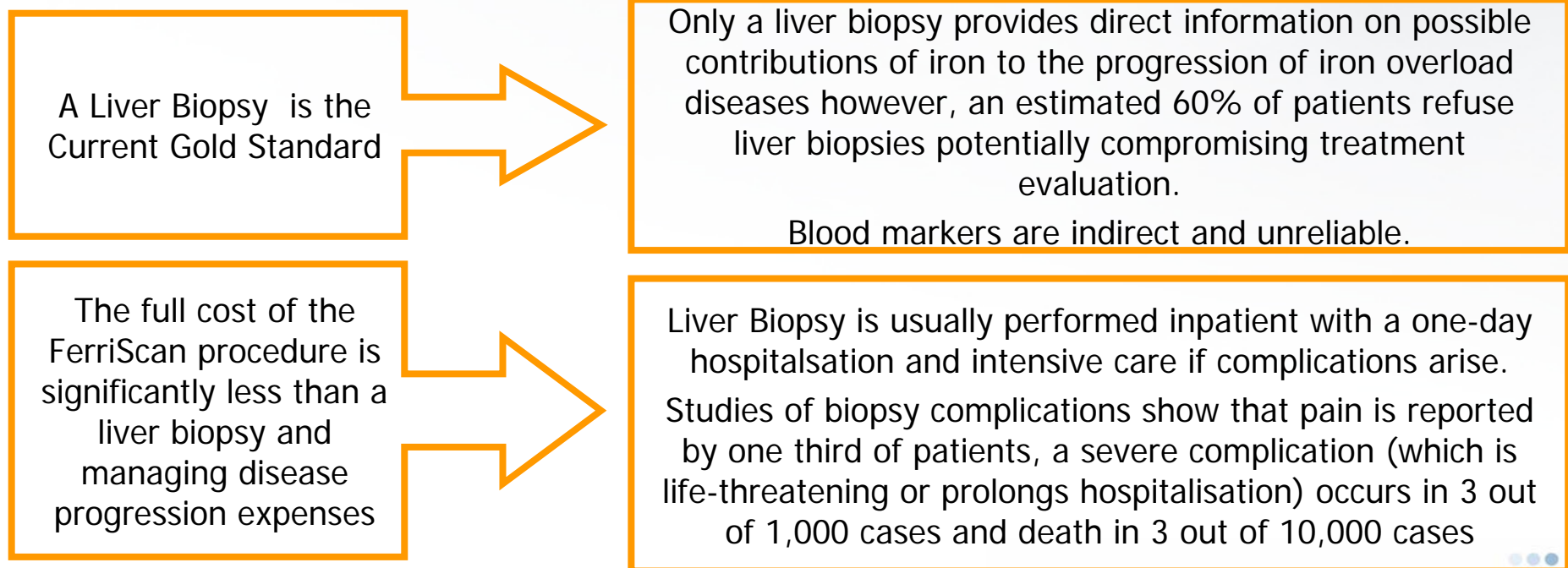
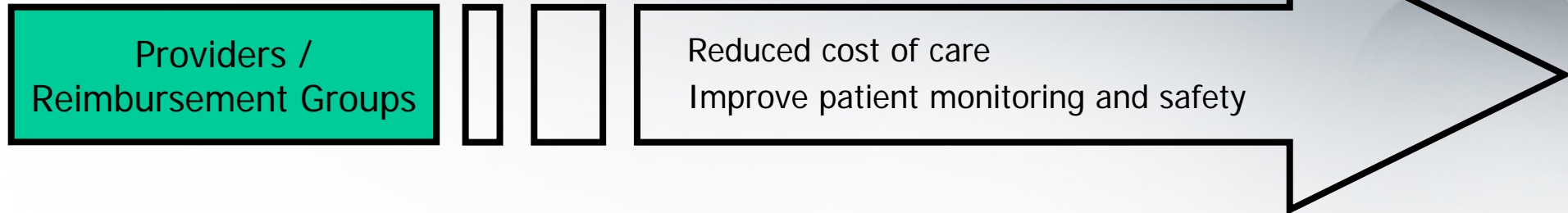


Distribution Map

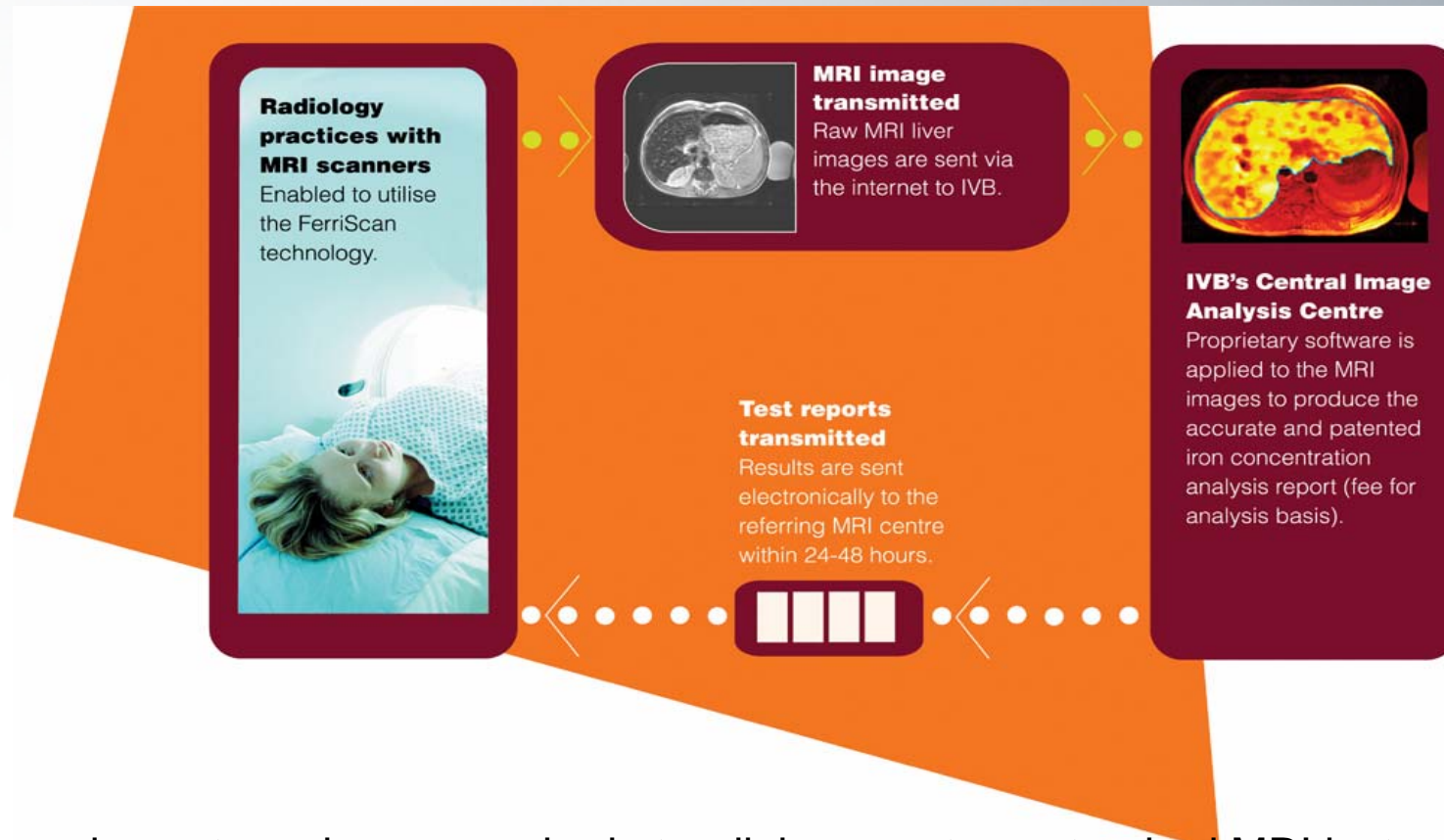
– Iron Overload Disorders



FerriScan Has The Potential To Reduce Cost & Improve Patient Care



FerriScan service delivery



- No new equipment purchases required at radiology centre – standard MRI instruments
- MRI images processed at RHT Analysis Centre using IVB proprietary software, optimising quality control and security of the technology



FerriScan: Iron overload - USA & Australian Market Potential



	Australia	USA
Total Market: genetic predisposition for iron overload	125,000	2,000,000
Addressable Market: Clinically significant iron overload	33,000	750,000
Potential FerriScan™ service fee (AUD)*	\$250 - \$350	\$250 - \$450
Addressable market potential AUD\$ (2 patient scans per year)	\$16,500,000	\$375,000,000

*Pricing is indicative only at this stage

European market potential based on incidence rates approximates the the USA market

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Indicative Model of Potential Gross Profit



<u>Based on Test Numbers</u>	<u>%US / Aus Addressable Market</u>	<u>Potential Revenue</u> ¹	<u>Potential Gross Profit @ 65% GM</u>
20,000	2.5%	\$6M	\$3.9M
40,000	5%	\$12M	\$7.8M
60,000	7.5%	\$18M	\$11.7M
100,000 ²	12.5%	\$30M	\$19.5M

Note: ¹ At average revenue of AUD\$300 per test

² < 4 scans / week at 500 MRI sites

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FerriScan: Roll-out strategy



Primary distribution channel

- **Diagnostic imaging groups**
 - Australia: DCA Group
 - UK: MedTel and DCA Group
 - US: Major US chain(s) (100+ installed MRI sites – largest have 300+)

Secondary channels

- **Service provision to clinical trials**
 - Pharmaceutical companies: e.g. Existing relationship with Novartis Pharma
 - Disease interest groups: e.g. Hemochromatosis, Thalassaemia

Ongoing engagement with clinical opinion leaders and continued leadership for application development

- Venesection regime
- Fibrosis scoring
- Application to diabetes

FerriScan: Roll-out schedule



Australia

- Trial marketing commenced (April)
- Launched to key physicians in WA, SA, Queensland and Tasmania
- First sales achieved / referrals made
- Victoria and NSW currently being activated
- Expanded roll-out second half 2005

US

- Imaging company discussions at late stage
- Trial marketing / first US sales will occur second half 2005

UK

- Initial sites activated with key opinion leaders
- Referrals to follow through trials and commercial application

Other

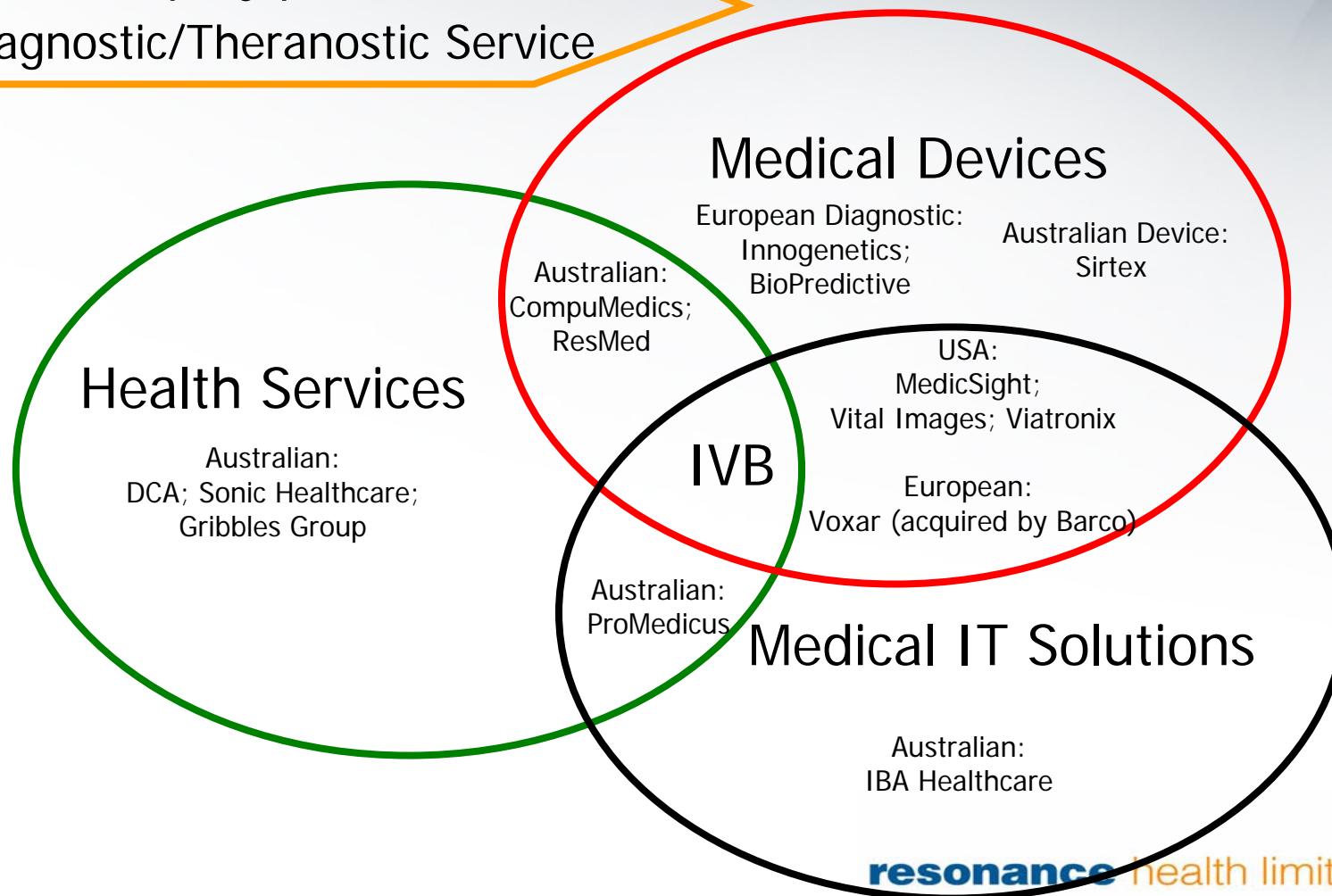
- Commercial sales through current service agreement with Novartis Pharma



Resonance Health – a global diagnostic service provider with medical device margins



IVB is uniquely positioned as a Diagnostic/Theranostic Service



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Benchmark examples of Diagnostic Imaging companies



Medical Device



Medical IT Solution



Diagnostic Service

Company	Description	Mkt Cap: Cash:	Status
MedicSight (USA)	Medicsight is a medical imaging software company. Its core technology is focused on developing automatic detection and analytical tools in CT and MRI for clinicians to improve their ability to diagnose and treat diseases.	MC: US\$165m Cash: US\$8m	FDA approvals for three products Nov2003, July 2004, Nov 2004. No revenues. Recent distribution agreements.
Vital Images (USA)	Vital Images is a medical imaging software company that is integrating advanced 3D visualization and analysis technology into the everyday clinical environment. Vitrea® 2, rapidly creates interactive three-dimensional images from two-dimensional images generated by standard computed tomography (CT) and magnetic resonance (MR) scanners.	MC: US\$191m Cash: US\$30m	First profit 2002 US\$0.7m 2003 Revenue US\$26m NPAT \$1.4m
ProMedicus (Australia)	Digital radiology software solutions in addition to an e-health network. UK sales, recent Canadian sale, US distribution agreement with Agfa	MC: A\$123 m Cash: A\$10m	Revenues for the financial year ended 30 June 2003 were A\$9.6m; NPAT \$4.4m



Resonance Health – New Board Members



Mr Ian Anderson (48) – Non-Executive Director

BBus (ECU) MBA (UWA)

Mr Anderson is currently on secondment to the North Metropolitan Area Health Service of Western Australia as Area Executive Director, Finance & Corporate Services. Prior to this, Mr Anderson was the General Manager, Performance Consulting for Gerard Daniels Australia providing corporate governance consulting services to the Boards of major local companies and organisations. Prior roles include, CEO of SKG Radiology where he led the restructuring of the company and its merger with Sonic Healthcare Ltd and General Manager, Health Fund at the Hospital Benefit Fund of Western Australia.

Mr Anderson is Chairman of the Allergy Research Foundation; Director of Leadership WA; Member of the Australian Institute of Management (WA) Advisory Council, and Fellow of the Australian Institute of Company Directors.

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Resonance Health – New Board Members



Dr Jay Ives (49) - Non-Executive Director

MB ChB (Otago) FRANZCR

Dr Ives is a former partner and member of the Executive Committee of SKG Radiology (prior to its sale to Sonic Healthcare Ltd), and continues in his role as Technical Director for the practice.

Dr Ives has co-authored several clinical and scientific publications, and has a diverse range of research activities in magnetic resonance imaging, having a particular interest in sequence development and advanced image processing. He is a member of the MRI Reference Group of the Royal Australian and New Zealand College of Radiology.

Dr Ives is a Director of Inner Vision Biometrics, WA Private Health Care Services and a Member of the Australian Institute of Company Directors.



Resonance Health – New Board Members



Dr James Williams (35) – Managing Director

BSc (Hons) (Aberdeen) PhD (Melbourne) MBA (UWA)

Dr Williams has a track record of establishing health technology companies, with origins in academic institutions, and rapid progression of their products to market. Dr Williams has been CEO of Inner Vision Biometrics since May 2004, following the preparation of IVB's regulatory submission to the Australian Therapeutic Goods Administration by his consulting firm.

Prior to technology commercialisation activities, Dr Williams led a research team investigating the molecular and cell biology of blood development and cancer. He has published in leading peer reviewed international journals and is a co-inventor on patent applications in the areas of medical devices, drug discovery and drug delivery. Several of these are currently being commercialised by public and private companies.

Dr Williams is a non-Executive Director of Tessitura Pty Ltd, a specialist biotechnology consultancy firm and is the immediate past Chair for the WA Branch of AusBiotech. In February 2005, he was recognised as one of Western Australia's 40 business leaders under the age of 40.

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Operational Management



- **Glenn Smith, BA/BEcon MBA, Marketing Director**
 - Prior roles include CEO, Tri-Med responsible for rolling out multiple diagnostic product lines to over 30 countries
 - Marketing leader responsible for establishing an e-commerce, telemedicine project and service line generating over \$50 million in revenue
- **Dr Janet Preuss BSc PhD MBA, Regulatory & Reimbursement**
 - Extensive experience in the establishment and certification of quality management systems to International Standards for biotechnology companies
 - Successful in negotiating the regulatory pathways for marketing approval for a range of products in Australia, Europe, Canada and the US and obtaining product reimbursement from private and public health funds
- **Associate Professor, Tim St Pierre, CSO**
 - Associate Professor in Physics at The University of Western Australia and Leader of UWA Biomagnetics Research Team and co-inventor of FerriScan
 - Published over 90 research papers in the field of iron and biomedicine , awarded research grants from the National Health & Medical Research Council, the Australian Research Council, and the Wellcome Trust
 - Has extensive network of clinical research collaborators worldwide



RHT capital structure (As at 31 March 2005)



Shares on issue:

Currently on issue and listed (RHT)	111,353,585
Proposed issue of ordinary shares to IVB shareholders	68,140,438
Total shares on issue – all classes	<u>189,494,023</u>
Market Capitalisation at 30 May 2005 closing (\$0.14)	\$26.5 million
Performance Shares	16,000,000

Options on Issue:

Listed RHTOA options – (\$0.15 ex to 15 Jan 07)	44,461,309	Cash to RHT upon exercise \$ 6.67 mill
Listed RHTOB options – (\$0.40 ex to 15 Jan 08)	20,605,194	\$ 8.24 mill
Unlisted options – (\$0.20 ex to 07/08)	14,000,000	\$ 2.80 mill
Unlisted options – (\$0.25 ex to 07)	500,000	\$ 0.12 mill
Unlisted options – (\$0.30 ex to 07/08)	12,600,000	\$ 3.78 mill
Unlisted options – (\$0.40 ex to 08/09)	2,800,000	\$ 1.12 mill
Unlisted options – (\$0.50 ex to 08/08)	<u>2,000,000</u>	<u>\$ 1.00 mill</u>
Total options on issue – all classes	<u>91,466,503</u>	<u>\$23.73 mill</u>



Resonance Health: Positioned for growth



1. Key regulatory clearances achieved (Australia, US and Europe)
2. Significant partnerships established (DCA Group, MedTel and Novartis). Others pending.
3. Initial commercial sales achieved in both Australia and internationally through partners
4. Research program for new product development and applications
5. Consolidated corporate structure, Board and Management



Forward looking statements and risks



This presentation contains forward-looking statements that are based on management's current expectations. These statements may differ materially from actual future events or results due to the range of risks and uncertainties associated with the healthcare technology product development process including manufacturing and licensing, risks inherent in the regulatory approval process applicable in the U.S. and Australia including potential delays in obtaining approvals, market acceptance of products, future financial requirements, general economic conditions, and other risks and uncertainties. There can also be no assurance that competitors will not independently develop similar products or processes that seek to circumvent patents owned or licensed by Resonance Health, or that patents owned or licensed by Resonance Health will provide adequate protection or competitive advantage.

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