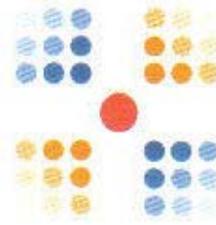


resonance health limited



**RESONANCE HEALTH LTD
ABN 96 006 762 492**

**INFORMATION MEMORANDUM –
NOTICE OF GENERAL MEETING,
EXPLANATORY STATEMENT AND
PROXY FORM**

This Information Memorandum is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your investment or other professional adviser.

**For a General Meeting to be held on
Thursday 13th May 2004 at 10am (EST) at
Melbourne University Private Building,
Level 2 Boardroom, 161 Barry Street
Carlton South, Victoria**

INFORMATION MEMORANDUM CONTENTS PAGE

	PAGE
Notice of General Meeting (setting out the proposed resolutions)	2
Explanatory Statement (explaining the proposed resolutions)	6
Glossary	13

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A general meeting of the shareholders of Resonance Health Ltd will be held at:

**Melbourne University Private Building
Level 2 Boardroom, 161 Barry Street
Carlton South, Victoria**

**Commencing
10am (EST)
on Thursday, 13th May 2004**

How to Vote

The business of the meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10 am (EST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Memorandum as soon as possible and either:

- send the proxy form by facsimile to the Company on facsimile number (08) 9389 5944 (International: + 61 8 9389 5944); or
- deliver the proxy form to the Company's registered office at Suite 1, 117 Stirling Highway, Nedlands, Western Australia,

so that it is received not later than 5pm (WST) on 10th May 2004. Proxy forms received later than this time will be invalid.

Your proxy form is enclosed at the end of this Memorandum.

RESONANCE HEALTH LTD
ABN 96 006 762 492

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Resonance Health Ltd (**Resonance or Company**) will be held at Melbourne University Private Building, Level 2 Boardroom, 161 Barry Street, Carlton South, Victoria, 10am (EST) on Thursday, 13th May 2004.

AGENDA

BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as special business and terms used in this Notice have the meaning given to them in the Explanatory Statement.

SPECIAL BUSINESS

Resolution 1 – Modification of Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of Section 136(2) of the Corporations Act and the Company’s Constitution and for all other purposes, approval is given for the Company to amend the Company’s Constitution as follows:

- (a) by deleting the sentence “**Date of Adoption** means the date upon which this clause is inserted in this Constitution by special resolution of the members of the Company.” from Clause 3.2;*
- (b) by deleting the words “on or at any time after the Date of Adoption” from the definition of “**Minority Member**” contained in Clause 3.2;*
- (c) by deleting Clause 3.17 in its entirety and replacing it with the following Clause:*

“3.17 Use by Company of Clause 3

This clause 3 may only be invoked only once in any twelve month period.”; and
- (d) by deleting Clause 3.18 in its entirety.”*

Short Explanation: Section 136(2) of the Corporations Act provides that a company may only modify or repeal its constitution if it is approved by a special resolution of its shareholders in general meeting.

Resolution 2 – Grant of Options under Incentive Option Scheme

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (Exception 9) of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Directors are authorised to issue options, each to acquire one (1) fully paid ordinary share in the capital of the Company, pursuant to an incentive option scheme known as the “Resonance Health Ltd Incentive Option Scheme” (Scheme) upon and subject to the terms and conditions of the Scheme, a summary of which is included in the Explanatory Statement accompanying this Notice.”

Short Explanation: These options are designed to be an incentive to key people who assist in the successful development and operation of the Company. Refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by the directors of the Company (except those who are ineligible to participate in the Scheme), and any of their associates.

Resolution 3 – Grant of Director Options to Mr Anthony Fitzgerald

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to grant 1,000,000 Director Options, each to acquire one (1) fully paid ordinary share in the capital of the Company, to Mr Anthony Fitzgerald (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director requires prior shareholder approval. Anthony Fitzgerald is a director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Anthony Fitzgerald (or his nominee) to be issued securities in the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Anthony Fitzgerald and any of his associates.

Resolution 4 – Grant of Director Options to Mr Michael Wooldridge

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to grant 650,000 Director Options, each to acquire one (1) fully paid ordinary share in the capital of the Company, to Mr Michael Wooldridge (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director requires prior shareholder approval. Michael Wooldridge is a director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Michael Wooldridge (or his nominee) to be issued securities in the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Michael Wooldridge and any of his associates.

Resolution 5 – Grant of Director Options to Mr Andrew Walker

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to grant 300,000 Director Options, each to acquire one (1) fully paid ordinary share in the capital of the Company, to Mr Andrew Walker (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director requires prior shareholder approval. Andrew Walker is a director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Andrew Walker (or his nominee) to be issued securities in the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Andrew Walker and any of his associates.

Resolution 6 – Grant of Director Options to Ms Christine Bennett

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to grant 450,000 Director Options, each to acquire one (1) fully paid ordinary share in the capital of the Company, to Ms Christine Bennett (or her nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director requires prior shareholder approval. Christine Bennett is a director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Christine Bennett (or her nominee) to be issued securities in the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Christine Bennett and any of her associates.

DATED THIS 26th DAY OF MARCH 2004

**BY ORDER OF THE BOARD
EVAN CROSS
COMPANY SECRETARY**

NOTES:

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. This date is 5pm (WST) on 10th May 2004.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for Shareholders in connection with the General Meeting of the Company to be held on Thursday 13th May 2004.

2. BUSINESS OF THE MEETING

2.1 Resolution 1 - Modification of Constitution

Clause 3 of the Constitution currently provides that the shareholding of a member which is less than a "marketable parcel" of Shares (that is, a parcel of Shares of less than \$500) may be sold by the Company and the proceeds remitted to the member, subject to a number of notice requirements and with the costs of sale being borne by the Company. However, Clause 3 only has effect following adoption of the clause by a special resolution of Shareholders (**Date of Adoption**). In addition, Clause 3 ceases to have effect after a period of twelve calendar months following the Date of Adoption.

Accordingly, in order to utilise the procedures under Clause 3, the Directors must seek Shareholder approval by special resolution of the Clause every twelve calendar months.

The procedures under Clause 3 enable the Company to eliminate shareholdings of less than \$500 worth, and the Directors believe that this will allow the Company to save costs associated with printing, share registry and mailing costs as well as save costs associated with the convening of the relevant Shareholders' meeting to obtain approval to adopt Clause 3 every 12 months.

Therefore, in accordance with Section 136(2) of the Corporations Act, the Company seeks Shareholder approval to amend Clause 3 of the Constitution in the manner set out in Resolution 1 to enable the Company to utilise the Clause 3 procedures once in every twelve month period (if deemed necessary by the Directors), without the need to seek Shareholder approval by special resolution of the Clause.

2.2 Resolution 2 - Grant of Options under Incentive Option Scheme

Resolution 2 seeks the approval of Shareholders for the grant of options pursuant to the "Resonance Health Ltd Incentive Option Scheme" (**Scheme**). The Resolution is placed before Shareholders in accordance with Exception 9 of Listing Rule 7.2.

Shareholders should note that no options have previously been issued under this Scheme and the objective of the Scheme is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Scheme and the future grant of options under the Scheme will provide select employees with the opportunity to participate in the future growth of the Company.

A summary of the terms and conditions of the Scheme is set out below:

Summary of Scheme Terms

The Scheme is designed to provide employees with an ownership interest in the Company and to provide additional incentives for employees to increase profitability and returns to shareholders.

The summary of the Scheme is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Scheme may be obtained free of charge by contacting the Company.

General

The Directors may, in their absolute discretion offer to grant options to eligible employees under the Scheme.

The options will be granted for no consideration and will carry the right in favour of the option holder to subscribe for one (1) fully paid ordinary share in the capital of the Company.

The options issued pursuant to the Scheme will be exercisable at a price not less than the greater of \$0.20 and the weighted average of the last sale price of the Company shares on ASX at the close of business on each of the 5 business days immediately proceeding the date on which the Directors resolve to issue the options.

Eligible Employees

Full time or part time employees of the Company and its subsidiaries are eligible to participate in the Scheme.

Directors and employees who join the Company or one of its subsidiaries after the date of commencing of the Scheme are also eligible employees.

Restrictions

The options are only exercisable during certain "window periods", the details of which are set out in the Scheme.

ASIC Class Order 03/184 provides that the Company is not required to issue a prospectus for the offer of options to employees under the Scheme provided a number of conditions are satisfied, including without limitation:

- (a) the options may not be exercised until the Shares have been quoted on ASX throughout the 12 month period immediately before the exercise of the

option without suspension for more than a total of 2 trading days during that period; and

- (b) the total number of Shares that would be issued under the Scheme, were each option granted pursuant to the Scheme exercised, and the number of Shares issued by the Company pursuant to any employee share or option scheme implemented by the Company during the previous 5 years (which there are none) may not exceed 5% of the total number of Shares on issue as at the date any options are offered pursuant to the Scheme.

2.3 Resolutions 3, 4, 5 and 6 – Grant of Director Options to Mr Anthony Fitzgerald, Mr Michael Wooldridge, Mr Andrew Walker and Ms Christine Bennett

Resolutions 3, 4, 5 and 6 seek Shareholder approval for the grant of 1,000,000 Director Options to Mr Anthony Fitzgerald (or his nominee), 650,000 Director Options to Mr Michael Wooldridge (or his nominee), 300,000 Director Options to Mr Andrew Walker (or his nominee) and 450,000 Director Options to Ms Christine Bennett (or her nominee).

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the company. If Resolutions 3, 4, 5 and 6 are passed, securities will be issued to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett, each of whom are related parties of the Company due to the fact that they are Directors of the Company. Accordingly, Shareholder approval for the grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett is required pursuant to ASX Listing Rule 10.11.

Separate approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 3, 4, 5 and 6:

- (a) the maximum number of Director Options to be granted by the Company is 1,000,000 to Mr Anthony Fitzgerald (or his nominee), 650,000 to Mr Michael Wooldridge (or his nominee), 300,000 to Mr Andrew Walker (or his nominee) and 450,000 to Ms Christine Bennett (or her nominee);
- (b) the Director Options will be granted for no cash consideration. The purpose of the grant of the Director Options is to give each of Mr Fitzgerald, Mr

Wooldridge, Mr Walker and Ms Bennett an incentive to provide dedicated and ongoing commitment to the Company. A valuation of the Director Options is set out below;

- (c) the Director Options will be granted not later than one month after the date of this General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the grant will occur on one date;
- (d) the Director Options will be granted on the terms and conditions set out in Section 2.4 of this Explanatory Statement; and
- (e) there will be no funds raised from the grant of the Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett.

Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett are related parties of the Company as they are Directors of the Company. The grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett constitutes a “financial benefit” as defined in the Corporations Act. Accordingly, the proposed grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply. Accordingly, the Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett.

Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett:

- (a) the related parties to whom the financial benefit will be given are Mr Fitzgerald, Mr Michael Wooldridge, Mr Andrew Walker and Ms Christine Bennett;
- (b) the maximum number of Director Options (being the nature of the financial benefit to be provided) to be granted is 1,000,000 to Mr Fitzgerald (or his nominee), 650,000 to Mr Wooldridge (or his nominee), 300,000 to Mr Walker (or his nominee) and 450,000 to Ms Bennett (or her nominee). The Director Options will be granted on the terms and conditions set out in Section 2.4 of this Explanatory Statement;

- (c) each of the Directors (other than Mr Fitzgerald in respect of Resolution 3, Mr Wooldridge in respect of Resolution 4, Mr Walker in respect of Resolution 5 and Ms Bennett in respect of Resolution 6) consider that the proposed grant of Director Options pursuant to Resolutions 3, 4, 5, and 6 is in the best interests of the Company as the Director Options will be granted as an incentive to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett to provide dedicated and ongoing commitment to the Company. Each of the Directors (other than Mr Fitzgerald in respect of Resolution 3, Mr Wooldridge in respect of Resolution 4, Mr Walker in respect of Resolution 5 and Ms Bennett in respect of Resolution 6) recommends that Shareholders vote in favour of each of Resolutions 3, 4, 5, and 6;
- (d) Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett decline to make a recommendation about Resolution 3, Resolution 4, Resolution 5 and Resolution 6 respectively as each has a material personal interest in the outcome of the specified Resolution;
- (e) assuming that Resolutions 3, 4, 5 and 6 are approved and implemented, Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett will hold an interest in the following securities of the Company:

Director	No. of Shares	No. of Director Options
Anthony Fitzgerald	383,333 Ordinary Shares 20,619 Class D shares 20,619 Class E shares 20,619 Class F shares	1,000,000 issued under incentive option scheme 55,000 options expiring 15/1/07 17,182 Class D options 17,182 Class E options 17,182 Class F options 51,546 IVBH incentive options
Michael Wooldridge	200,000 Ordinary Shares 12,371 Class D shares 12,371 Class E Shares 12,371 Class F shares	650,000 issued under incentive option scheme 200,000 options expiring 15/1/07 10,309 Class D options 10,309 Class E options 10,309 Class F options
Andrew Walker	Nil	300,000 issued under incentive option scheme
Christine Bennett	Nil	450,000 issued under incentive option scheme

- (f) if Shareholders approve the grant of Director Options to Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett, and all of the Director Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 4.15% based on 57,813,736 Shares on issue and assuming no other options in the Company are exercised.

The market price for Shares during the term of the Director Options would normally determine whether or not Mr Fitzgerald, Mr Wooldridge, Mr Walker and Ms Bennett exercise the Director Options. If, at the time any of the Director Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. In the 3 months before the date of this Notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

	Date	Price
Highest	15 January 2004	29 cents
Lowest	17 March 2004	15.5 cents
Last	25 March 2004	19.5 cents

- (g) the ASIC in reviewing documents lodged under Section 218 of the Corporations Act relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be granted. The value of the Director Options has been calculated internally by the Company using the Black & Scholes pricing model and is set out below.

Valuation of Director Options

The Director Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

- (a) the Director Options have a 5 year life from their date of issue and are all exercisable at 30 cents per Share other than the Director Options to be granted to Mr Fitzgerald which have an exercise price of 40 cents per Share;
- (b) a price per Share of 19.5 cents;
- (c) a common volatility factor of 14.64%;
- (d) an interest rate of 5.565%;
- (e) the valuations ascribed to the various Director Options may not necessarily represent the market price of the Director Options at the date of the valuation; and
- (f) the valuation date for the Director Options is 25 March 2004.

Based on the above, the Director Options have been valued at 1.6 cents each for the Director Options to be granted to Mr Wooldridge, Mr Walker and Ms Bennett and 0.4 cents each for the Director Options to be granted to Mr Fitzgerald.

2.4 Terms and Conditions of Director Options

- (a) Each Director Option entitles the holder, when exercised, to one (1) fully paid ordinary share in the Company (**Share**).
- (b) The Director Options are exercisable at any time on or prior to 5.00pm (Western Standard Time) on the date which is five (5) years from the date of issue of the Director Options (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Director Options are exercised to the registered office of the Company.
- (c) The Director Option exercise price is \$0.30 per Director Option for Mr Wooldridge, Mr Walker and Ms Bennett and \$0.40 per Director Option for Mr Fitzgerald.
- (d) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.
- (e) Subject to the Corporations Act, the Australian Stock Exchange Limited (**ASX**) Listing Rules and the Company's Constitution, the Director Options are freely transferable.
- (f) All Shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Director Options.
- (g) There are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (h) If at any time the issued capital of the Company is reorganised, the rights of an option holder are to be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

3. ENQUIRIES

Shareholders are invited to contact the Company Secretary on (08) 9389 5933 if they have any queries in respect of the matters set out in this Memorandum.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company and **Resonance** means Resonance Health Ltd (ABN 96 006 762 492).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an option to acquire one (1) Share on the terms and conditions set out in Section 2.4 of this Explanatory Statement.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

General Meeting means the meeting convened by the Notice.

Memorandum means this information memorandum.

Notice means the notice of meeting which forms part of this Memorandum.

Official List means the official list of ASX.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a holder of Shares

PROXY FORM

APPOINTMENT OF PROXY
RESONANCE HEALTH LTD
ABN 96 006 762 492

GENERAL MEETING

I/We

being a Member of Resonance Health Ltd entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Melbourne University Private Building, Level 2 Boardroom, 161 Barry Street, Carlton South, Victoria, 10am (EST) on Thursday, 13th May 2004 and at any adjournment thereof.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Modification of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Grant of Options under Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Grant of Director Options to Mr Anthony Fitzgerald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Director Options to Mr Michael Wooldridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Grant of Director Options to Mr Andrew Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Grant of Director Options to Ms Christine Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman intends to vote in favour of all of the resolutions.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this day of 2004

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary
--

RESONANCE HEALTH LTD
ABN 96 006 762 492

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.