



12 November 2004

The Manager  
Company Announcements  
Australian Stock Exchange  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir,

### **Appendix 3B – Issue and Conversion of Securities**

Attached is an Appendix 3B relating to the following issues of new securities in the Company:

- ✓ The conversion of 941,000 unlisted options into quoted ordinary fully paid shares on exercise for cash totalling \$94,100. In addition 941,000 free replacement options with a 40 cent exercise price and an expiry date of 15 January 2008 have been issued.
- ✓ The conversion of 9,000,000 Class A Incentive Shares into quoted ordinary fully paid shares issued in satisfaction of the Class A milestone being the issue of a US patent for the FerriScan test. This milestone was achieved in December 2003 with the issue subject to satisfaction of the milestone and a twelve-month escrow that has now expired.
- ✓ The conversion of 4,000,000 Class A Incentive Options into quoted Options (ASX Code: RHTOA) exercisable at 15 cents on or before 15/1/2007 issued in satisfaction of the Class A milestone and the receipt of 0.1 cents per option.
- ✓ The conversion of 8,000,000 Class C Incentive Shares into quoted ordinary fully paid shares issued in satisfaction of the Class C milestone being the lodgement of an application for TGA registration of the FerriScan device. This milestone was achieved in April 2004 with the issue subject to satisfaction of the milestone and a twelve-month escrow that has now expired.
- ✓ The conversion of 4,000,000 Class B Incentive Share Options into unquoted Options with an exercise price of 20 cents and an expiry date of 12 November 2007, converted in satisfaction of the Class B milestone being the issue of a US patent for the FerriScan test. This milestone was achieved in December 2003 with the issue subject to satisfaction of the milestone and a twelve-month escrow that has now expired.

We are pleased to report that the Company is currently receiving a number of RHTOA Option Exercise Forms and we expect to lodge further Appendix 3B's to cover these option conversions over the next three weeks.

Option holders holding RHTOA options may elect to convert their 15 cent RHTOA options into ordinary shares prior to 8 December 2004. By doing so, the Option Holder will receive one ordinary fully paid share and one free replacement option with a 40 cent exercise price and an expiry date of 15 January 2008. This option trades under the ASX code RHTOB.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stuart Usher', with a small flourish at the end.

Stuart Usher  
Joint Company Secretary

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Resonance Health Limited

ABN

96 006 762 492

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |  |   |
|--|---|
| 1    +Class of +securities issued or to be issued  | Ordinary<br><br>Options – 40 cents on or before 15/1/2008<br><br>Options – 20 cents on or before 12/11/2007   |
| 2    Number of +securities issued or to be issued (if known) or maximum number which may be issued | 941,000 ordinary shares - Quoted<br><br>941,000 options – 40 cents on or before 15/1/2008 - Quoted<br><br>4,000,000 options – 20 cents on or before 12/11/2007 - Unquoted |

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+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Options – exercisable at 40 cents on or before 15/1/2008 which entitles the holder to subscribe for one Resonance Health Ltd ordinary share upon payment of 40 cents per option.</p> <p>Options – exercisable at 20 cents on or before 12/11/2007 which entitles the holder to subscribe for one Resonance Health Ltd ordinary share upon payment of 20 cents per option.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Ordinary – yes</p> <p>Options – only on exercise</p>
<p>5 Issue price or consideration</p>	<p>Ordinary - \$94,100</p> <p>Options – nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>941,000 Ordinary Shares and 941,000 40 cent options issued on exercise of options.</p> <p>4,000,000 20 cent options issued on conversion of Class B Incentive Share Options on achievement of Milestones.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 November 2004</p>

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 2 if applicable)	Number	<sup>+</sup> Class
		78,544,543	Ordinary
		53,000,351	Options – 15 cents on or before 15/1/07
		3,796,152	Options – 40 cents on or before 15/1/08
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	<sup>+</sup> Class
		800,000	Options – 40 cents on or before 07/7/09
		1,600,000	Options – 30 cents on or before 07/7/09
		300,000	Options – 10 cents on or before 15/1/07
		24,000,000	IVBH Incentive shares <u>IVBH Incentive options</u>
		10,000,000	Options – 20 cents, 3 years from date of issue
		10,000,000	Options – 30 cents, 3 years from date of issue
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

+ See chapter 19 for defined terms.

## Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
- Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations

- |    |   |  |
|----|---|--|
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders   |  |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  |  |

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+ See chapter 19 for defined terms.

32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(b)

<p>38 Number of securities for which +quotation is sought</p>	<p>17,000,000 Ordinary Shares 4,000,000 Options – 15 cents on or before 15/1/07</p>
<p>39 Class of +securities for which quotation is sought</p>	<p>Ordinary shares Options - (ASX Code: RHTOA)</p>
<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Ordinary Shares – Yes</p> <p>Options – Only on exercise</p>
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>Conversion of the following Classes of securities on achievement of Milestones. All securities allotted 12 November 2004;</p> <p>9,000,000 Class A Incentive Shares converted into 9,000,000 ordinary fully paid shares.</p> <p>8,000,000 Class C Incentive Shares converted into 8,000,000 ordinary fully paid shares.</p> <p>4,000,000 Class A Incentive Share Options converted into 4,000,000 options exercisable at 15 cents on or before 15/1/2007 which entitles the holder to subscribe for one Resonance Health Ltd ordinary share upon payment of 15 cents per option. Consideration of 0.1 cents per option converted was received totalling \$4,000.</p>

+ See chapter 19 for defined terms.

Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class
78,544,543	Ordinary
53,000,351	Options – 15 cents on or before 15/1/07
3,796,152	Options – 40 cents on or before 15/1/08

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Stuart Usher  
Joint Company Secretary

12 November 2004

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