



25 November 2004

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

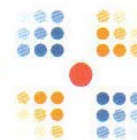
Dear Sir,

Company Update Letter to Option holders

Please find attached a company update letter for Resonance Health Limited (ASX:RHT) which was distributed to holders of RHTOA options today.

Yours sincerely,

Stuart Usher
Joint Company Secretary



25 November 2004

Dear Option holder,

We are delighted to inform you of exciting progress and the successful completion of a number of key milestones that will support the acceleration of our global implementation of the FerriScan™ technology.

TGA to list FerriScan™, which will also provide CE Mark and access to Europe

The FerriScan™ test for non-invasive measurement of iron overload is poised for commercial launch following confirmation of listing on the Australian Register of Therapeutic Goods (ARTG) by the Therapeutic Goods Administration (TGA). Registration of FerriScan™ in European markets with CE Mark certification will follow TGA listing as a result of reciprocal arrangements between the TGA and European authorities. The material prepared for the TGA in Australia will form the basis of a US FDA 510(k) regulatory submission for FerriScan™ for filing within 28 days. A copy of the announcement to the Australian Stock Exchange on this important milestone for FerriScan™ is attached.

Commercial Partner Identified for FerriScan™ Pilot Commercial Launch in Australia

Resonance Health, its subsidiary Inner Vision Biometrics (IVB), and a major group of Australian radiology practices have signed a Memorandum of Understanding (MOU) to launch a commercial pilot of FerriScan™ in Australia. Based on the experience gained in the pilot, a second stage full Australian commercial roll-out is included in the MOU. Confidentiality provisions in the MOU preclude Resonance Health from providing further information about the group of radiology practices concerned.

Exercise of RHTOA Options before 8 December 2004 for a free RHTOB Option

RHTOA Option holders in Resonance Health Limited have until 8 December 2004 to convert their Options into ordinary shares at the conversion price of 15 cents and receive a replacement Option for no additional cost.

Over the last 5 days Resonance Health Ordinary Shares (RHT) have traded in the range of 16.0 to 18.5 cents. The bonus Options are listed on the ASX under the code RHTOB and each Option entitles the holder to purchase a Resonance Health share at an exercise price of 40 cents anytime before 15th January 2008. Since listing, these Options have traded in the range of 2.5 cents to 6.0 cents.

An additional 'Exercise of Option' Form and a reply paid envelope have been attached for holders of RHTOA. Completed forms and cheques for the exercise price must be received at Advanced Share Registry Services, PO Box 6283, East Perth, WA 6892, no later than 8th December 2004.

The funds generated from the exercising of Options will be used to accelerate development of the RHT group technologies and commercialisation strategy.

The Directors encourage holders of RHTOA options to exercise their options prior to the December 8 deadline in order to qualify for a free additional RHTOB option.

Tony Fitzgerald

Executive Director