

**resonance** health limited



# RESONANCE HEALTH LIMITED

ABN 96 006 762 492

## NOTICE OF GENERAL MEETING, EXPLANATORY STATEMENT AND PROXY FORM

*This is an important document. Please read it carefully.  
If you are in doubt as to what you should do, please contact the Company, your  
stockbroker or other professional adviser.*

For a General Meeting to be held on  
Thursday, 6 January 2005 at 10am (WST) at  
Suite 1, 117 Stirling Highway,  
Nedlands, Western Australia

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

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

**Suite 1, 117 Stirling Highway,  
Nedlands, Western Australia**

**Commencing  
10am (WST)  
on Thursday, 6 January 2005**

### How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

### 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 10am (WST).

### 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 or post the proxy form to the Company's registered office at Suite 1, 117 Stirling Highway, Nedlands, Western Australia 6009,

so that it is received not later than 10am (WST) on Tuesday, 4 January 2005. Proxy forms received later than this time will be invalid.

**Your proxy form is enclosed.**

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

**NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting of shareholders of Resonance Health Limited (**Resonance Health** or **Company**) will be held at Suite 1, 117 Stirling Highway, Nedlands, Western Australia at 10am (WST) on Thursday, 6 January 2005.

**AGENDA**

**Resolution 1 – Ratification of Previous Issue of Shares**

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 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the shareholders of the Company ratify the allotment and issue of 7,970,000 fully paid ordinary shares in the capital of the Company at an issue price of 13.5 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the ASX Listing Rules. This allows the Company the flexibility to issue securities in the future up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

**Resolution 2 – Placement of Options**

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 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, approval is given for the Company to allot and issue up to 7,970,000 options to acquire fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** Under the ASX Listing Rules, the Company may seek shareholder approval prior to a placement to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associates of those persons.

**DATED THIS 2<sup>ND</sup> DAY OF DECEMBER 2004**

**BY ORDER OF THE BOARD**  
**EVAN CROSS**  
**JOINT 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. For the purposes of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the General Meeting. The snapshot date is 5pm (WST) on Wednesday, 5 January 2005.

## 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 a General Meeting of the Company to be held on 6 January 2005.

### 2. BUSINESS OF THE MEETING

#### 2.1 Resolution 1 – Ratification of Previous Issue of Shares

On 23 November 2004, the Company announced that it had completed a placement of 7,970,000 Shares at an issue price of 13.5 cents each.

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of its ordinary issued capital in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification of the issue of securities set out below is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.

For the purposes of ASX Listing 7.4, the following information is provided to shareholders:

- (a) the total number of Shares issued was 7,970,000 at an issue price of 13.5 cents each;
- (b) the Shares were issued to the parties set out in Schedule 1 of this Explanatory Statement;
- (c) all of the Shares were allotted and issued on 9 December 2004;
- (d) the Shares allotted and issued rank equally with the existing Shares on issue; and
- (e) the funds raised from the issue of the Shares (\$1,022,153 after 5% brokerage costs) will be utilised to provide funding:
  - (i) to the Company's 51% owned subsidiary, Inner Vision Biometrics Pty Ltd, in order to facilitate the rollout of the FerriScan™ liver iron scan technology in Australia and the UK after the test is listed by the Therapeutic Goods Administration in Australia and therefore access is gained to European markets with CE Mark certification; and
  - (ii) to develop the FerriScan™ technology platform for expanded uses as a non-invasive test for liver cirrhosis and fibrosis using magnetic resonance imaging.

## 2.2 Resolution 2 – Placement of Options

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The proposed placement of Options is to be approved to allow this number of securities not to be included in the calculation set out in ASX Listing Rule 7.1. This will leave the Company with the flexibility to issue equity securities in the future up to the 15% threshold.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders:

- (a) the maximum number of securities to be issued will be 7,970,000 Options;
- (b) the Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules) and it is anticipated that allotment will occur on one date;
- (c) the Options will be issued for no consideration to the parties who subscribed for the Shares the subject of Resolution 1 on a 1:1 basis (as set out in Schedule 1 of this Explanatory Statement) . Accordingly, no funds will be raised from the issue; and
- (d) the Options will be allotted and issued on the terms and conditions set out in Section 2.2.1 below and will rank equally with the Company's other listed options trading under ASX Code "RHTOB".

### 2.2.1 Material Terms and Conditions of Options

The material terms and conditions of the Options are as follows:

- (a) each Option entitles the holder to subscribe for one Share upon payment of 40 cents per Option (**Exercise Price**);
- (b) the Options shall lapse at 5:00pm WST on 15 January 2008 (**Expiry Date**);
- (c) the Options shall be exercisable wholly or in part by notice in writing to the Company (**Exercise Notice**) at any time until the Expiry Date on payment of the Exercise Price;
- (d) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the Options. However, Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options;
- (e) within 14 days of receipt of a properly executed Exercise Notice and the Exercise Price, the Company will allot and issue the Shares specified in the Exercise Notice; and
- (f) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the Options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

### 3. ENQUIRIES

Shareholders are invited to contact one of the Company Secretaries, Mr Evan Cross or Mr Stuart Usher on (08) 9389 5933 if they have any queries in respect to the matters set out in this Notice.

### GLOSSARY

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means Australian Stock Exchange Limited.

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

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

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement which forms part of this Memorandum.

**General Meeting** means the meeting convened by the Notice.

**Memorandum** means the Notice, Explanatory Statement and Proxy Form.

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

**Option** means an option to acquire a Share on the terms and conditions set out in Section 2.2.1 of this Explanatory Statement.

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

SCHEDULE 1

**ALLOTTEES OF PLACEMENT SHARES AND OPTIONS**

<b>Allottee</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Coljis Pty Ltd <Coljis Superannuation Fund A/C>	60,000	60,000
Basil William Cannon	50,000	50,000
Peter William Carty & Jean Carty <P & J Carty Superannuation Fund A/C>	60,000	60,000
E R Corporation Pty Ltd <The Rihari Family A/C>	113,000	113,000
Scott Philip Jones & Elizabeth Anne Jones <SPJ Superannuation Fund A/C>	37,000	37,000
Joan Marquet	37,000	37,000
Leonard Alfred Page & Sharon Lee Page <Page Jones Superannuation Fund A/C>	37,000	37,000
Murray Ken Payne	75,741	75,741
Randal Gavin Payne	70,000	70,000
Edward Conrad Jonathan Rihari & Aniese Rihari <Jaret Super Fund>	37,000	37,000
R Russell & Associates Photogeology Pty Ltd <Richards Super Fund A/C>	90,000	90,000
Simon John Rushforth & Carolaine Margaret Rushforth <Rushforth Superannuation Fund A/C>	37,000	37,000
Walsh Holdings (WA) Pty Ltd <C L Walsh Super Fund A/C>	37,000	37,000
William Doropoulos ATF Doropoulos Family Trust	150,000	150,000
Kevin Andrew Fell	149,074	149,074
Nora Goodridge Investments Pty Ltd	740,741	740,741
Morgan & Banks Investments Pty Ltd	665,741	665,741
Margaret Elsie Brand	75,000	75,000
Allandale Pty Ltd	74,074	74,074
Landpath Pty Ltd <No: 2 Account>	370,370	370,370
Stephen Newman	370,370	370,370
Queensway Investments Pty Ltd	125,000	125,000
Bluescope Holdings Pty Ltd	125,000	125,000
Melissa Del Paggio ATF <The Damelle Trust>	74,074	74,074
Lambert Mayfield Pty Ltd ATF Lambert Superannuation Fund	162,815	162,815
Robert Francis Panton	370,500	370,500
Roan Industries Pty Ltd ATF Robinson Super Fund	74,500	74,500
Davies Nominees Pty Ltd <Snape A/C>	850,000	850,000
F.G & D.G Heppingstone ATF F.G Heppinstone Superannuation Fund	877,000	877,000
Ausbil Dexia limited	740,000	740,000
Ugumjil Pty Ltd	185,000	185,000
Icy Creek Investment Pty Ltd	185,000	185,000
Fortis Clearing Nominees Pty Ltd <Clodene Account>	185,000	185,000
Fortis Clearing Nominees Pty Ltd <Delbant Account>	185,000	185,000
BWM Investments Pty Ltd	185,000	185,000
Irrewarra Investments Pty Ltd	185,000	185,000
QRS Investments Pty Ltd	125,000	125,000
<b>Total</b>	<b>7,970,000</b>	<b>7,970,000</b>



PROXY FORM

APPOINTMENT OF PROXY  
RESONANCE HEALTH LIMITED  
ABN 96 006 762 492

GENERAL MEETING

I/We

being a shareholder of Resonance Health Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the General 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 Suite 1, 117 Stirling Highway, Nedlands, Western Australia at 10am (WST) on Thursday, 6 January 2005 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

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Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 will vote in favour of all of the resolutions if no directions are given.

**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.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

**By:**

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature
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Director
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Signature
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Director/Company Secretary
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Signature
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Sole Director and Sole Company Secretary
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**Instructions for Completing 'Appointment of Proxy' Form**

1. A shareholder 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 shareholder'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 shareholder 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.