



The Manager

1 March 2005

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

Dear Sir,

## **Resonance Health Offers to Acquire Remaining 100% of IVB Subject to Shareholder Approval**

**Perth, Australia, Tuesday, 1 March 2005:** Resonance Health Limited (ASX:RHT) announced today its intention to acquire 100% of the outstanding shares in Inner Vision Biometrics Pty Ltd (**IVB**), subject to shareholder approval at a Resonance Health General Meeting to be held in early April 2005. Subject to contract, the Company has concluded negotiations to enter into agreements with the other shareholders of IVB (**IVB Minority Shareholders**) to acquire their current 61% equity interest in IVB with the purchase price satisfied by the issue of shares in Resonance as set out below and a net cash payment of approximately \$110,000 (**Acquisition**).

"Completion of the acquisition of IVB will allow Resonance Health to fully capture the value of the FerriScan™ test and related technologies owned by IVB. The simplified corporate structure of Resonance Health, made possible through the acquisition, will also provide additional operational efficiencies and return value to all shareholders," Chairman of Resonance Health, Dr Michael Wooldridge, commented.

A Resolution will be put to the shareholders of Resonance Health at a General Meeting seeking approval for the Directors to allot and issue 68,140,438 Resonance Health fully paid ordinary shares (**Shares**) and 5,000,000 Resonance Health Class F Incentive Shares (unlisted) (**Incentive Shares**) to the IVB Shareholders in consideration for the acquisition of all of their IVB Shares.

Upon completion of the Acquisition, the new shares issued to the IVB vendors will represent approximately 38% of Resonance's expanded capital.

The Acquisition will be conditional on:

- (a) Resonance Health obtaining all necessary regulatory and Shareholder approvals required to issue both the Shares and Incentive Shares to the IVB Minority Shareholders;
- (b) Resonance Health having received full acceptances from 100% of IVB Minority Shareholders to give it a relevant interest in 100% of the issued capital of IVB; and
- (c) The IVB Minority Shareholders entering into an escrow agreement in relation to the Shares, whereby approximately 98% of the Shares will be held in escrow for a period of 6 months, with 49% remaining in escrow for a further period of 6 months.

Currently Resonance Health is entitled to 51% of the voting rights of IVB and is acquiring a 51% equity holding via the staged subscription of expansion capital into IVB. It currently holds 39% of the ordinary equity in IVB. If Resonance Health acquires all of the IVB Shares currently on issue, IVB will become a wholly owned subsidiary of Resonance Health. This would entitle Resonance Health to 100% of any potential revenue streams arising from commercialisation of the IVB FerriScan™ technologies and intellectual property.

Mr. Tony Fitzgerald, Executive Director of Resonance Health, said: "The acquisition of IVB allows the opportunity for Resonance Health to fully benefit from the international commercialisation of the FerriScan™ technology at a time when we have recently achieved regulatory clearances in major markets through U.S. FDA 510(k) clearance, European CE Mark registration and listing on the ARTG by the TGA in Australia."

### ***Further information***

#### **About Resonance Health Ltd ([www.resonancehealth.com](http://www.resonancehealth.com))**

Resonance Health Limited controls 51% of the voting rights of Inner Vision Biometrics Pty Ltd (IVB) and has an existing agreement with IVB to earn 51% of the equity of IVB via the progressive injection of further capital. Resonance Health has made an offer to IVB shareholders to acquire 100% of IVB subject to shareholder approval. The FerriScan™ technology is 100% owned by IVB.

FerriScan™ ([www.ferriscan.com](http://www.ferriscan.com)) is a novel, non-invasive diagnostic test of the iron content of a patient's liver to assist clinicians in the detection and treatment of iron overload disorders such as thalassemia and hereditary haemochromatosis. The FerriScan™ diagnostic test service uses existing MRI (magnetic-resonance imaging) machines at radiology facilities worldwide. Images of the liver are subsequently analysed to quantify iron loading using proprietary software at a central IVB image analysis facility. The FerriScan™ test provides a safe alternative to liver biopsy and will become a valuable adjunct to gene testing for iron overload diseases. Liver biopsy is an unpleasant, invasive procedure requiring liver tissue to be extracted from the patient by needle.

FerriScan™ received regulatory clearances in major markets through U.S. FDA 510(k) clearance (January 2005), European CE Mark registration (November 2004) and Australian TGA clearance (November 2004).

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