

General Meeting Presentation

September 2005



Mission.

Our Mission

We develop and market systems to assist in the diagnosis and management of patients suffering from “Iron Overload” conditions.

Our products and services deliver significant added value for our customers and tangible benefits to patients.





Company overview.

- Resonance Health Limited is an ASX listed healthcare company
- Resonance is the developer of FerriScan[®]
- FerriScan is a unique, non-invasive test for measuring iron overload in the liver
- FDA, CE and TGA marketing clearance
- Low cost, high margin business model – MRI scans interpreted via internet from any location in the world
- FerriScan ready to roll out - key partners worldwide
- Aim to be cash flow positive in CY 2006



Capital structure.

Ordinary Shares on Issue:	185,494,023
Market Capitalisation (at 5 September closing):	\$25.0 million
Performance Shares (Class F+G):	16,000,000
Options:	

	No. on issue	Cash on exercise
Listed RHTOA options – (\$0.15 ex to Sep 05)	3,000,000	\$0.4 m
Listed RHTOA options – (\$0.15 ex to 15 Jan 07)	47,461,309	\$7.1 m
Listed RHTOB options – (\$0.40 ex to 15 Jan 08)	20,605,194	\$8.24 m
Unlisted options – (\$0.20 ex to 07/08)	14,000,000	\$2.80 m
Unlisted options – (\$0.25 ex to 07)	500,000	\$0.12 m
Unlisted options – (\$0.30 ex to 07/08)	12,600,000	\$3.78 m
Unlisted options – (\$0.40 ex to 08/09)	2,800,000	\$1.12 m
Unlisted options – (\$0.50 ex to 08/08)	2,000,000	\$1.00 m
Total options on issue – all classes	91,466,503	\$23.73 m



An experienced and trusted team.

Executive Management

Dr James Williams

Mr Glenn Smith

Associate Professor Tim St. Pierre

Dr Janet Preuss

Managing Director

Director Marketing & Sales

Chief Scientific Officer

Regulatory Affairs Manager

Board

The Hon. Dr Michael Wooldridge

Mr Tony Fitzgerald

Mr Ian Anderson

Dr Christine Bennett

Dr Jay Ives

Dr Andrew Walker

Chairman

Executive Director

Non Executive Director

Non Executive Director

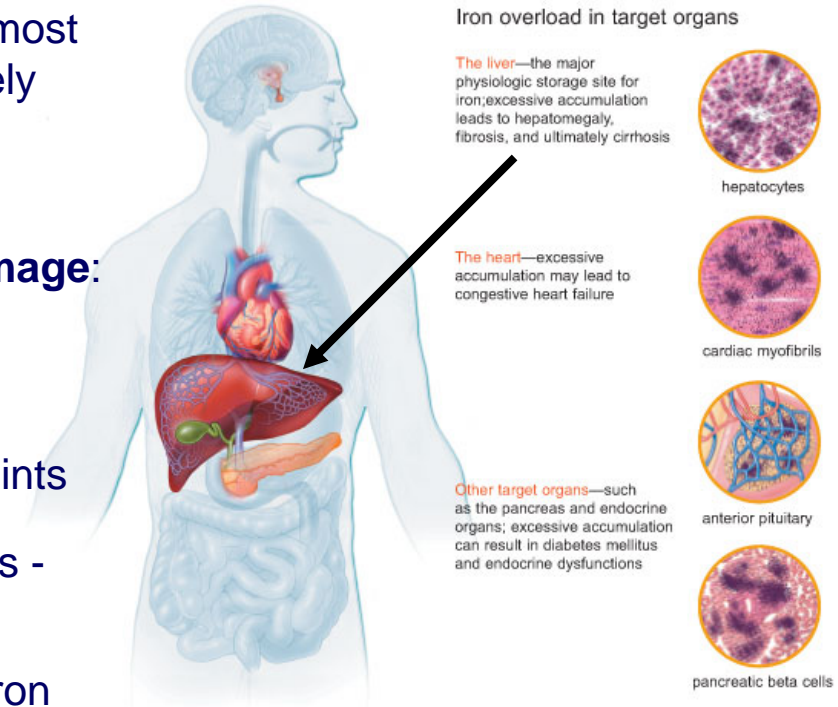
Non Executive Director

Non Executive Director



Iron overload diseases.

- Iron overload conditions are amongst the most common human diseases, with approximately **500 million** people either symptomatic or carriers of the defective gene(s)
- Iron toxicity is a major cause of **organ damage**:
 - Liver – fibrosis / cirrhosis
 - Heart – congestive heart failure and arrhythmia
 - Pancreas – diabetes, arthritis of the joints
- **Primary** (eg: hereditary haemochromatosis - HHC)
- **Secondary** (eg: acquired – transfusional iron overload)





An identified need globally.

- In the USA it is estimated that **67%** of HHC patients are misdiagnosed and see an average of three doctors before obtaining a successful diagnosis
- **Current gold standard:** Liver Needle Biopsy
 - Invasive, Painful & Dangerous
 - Expensive
 - Inaccurate
- Current tools limit ability to detect and manage iron overload conditions





FerriScan: An innovative, high-tech service.

- A **safe, non-invasive** and **accurate** test to measure and monitor liver iron concentration
- Uses Magnetic Resonance Imaging (MRI)
- Scan is interpreted by proprietary software
- Validated against current “gold standard” (Liver Biopsy)
- Regulatory clearances in:
 - USA (FDA)
 - Europe (CE mark)
 - Australia (TGA)





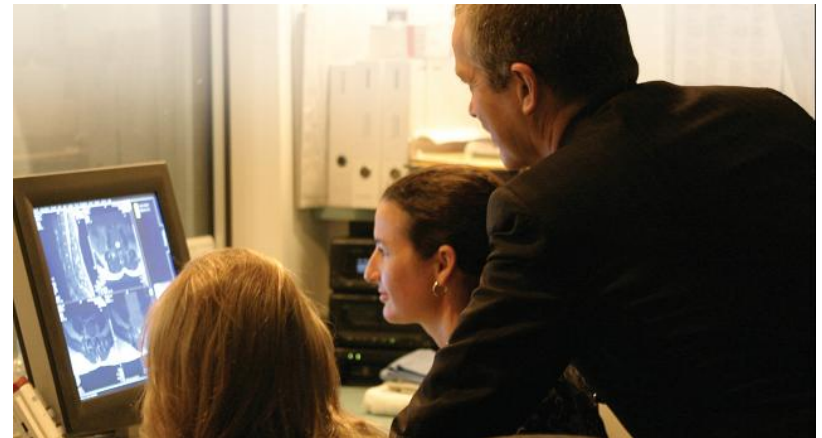
FerriScan: A better test than current 'Gold Standard'.

	Liver biopsy	FerriScan
Nature of test	Invasive	Non-invasive
Patient comfort	Painful	Painless
Risk of procedure	Potentially fatal	Safe
Accuracy	Current Standard	Equivalent => better
Average length of hospital stay	1 - 2 days	0.5 hours
Average cost to hospital/HCP (surgeon, theatre, bed etc)	\$1,500	n/a
Average cost to patient	\$100- \$500	\$500 - \$700
Complications	Pain: 1 in 3 Serious Bleeding: 1 in 1,000 Death: 1 in 10,000	n/a



In diagnostic services, speed, accuracy and cost matter.

- Clinicians want more effective and lower medical (and legal) risk diagnostic techniques
- Patients want and expect higher and higher levels of service/care
- MRI chains want increase ROI on equipment and greater market share
- OEM's want increased equipment sales/servicing and value add product to increase margins
- Pharma (and regulators) want better tools to monitor drug development and performance



“With FerriScan, Resonance Health is meeting the needs of the market”



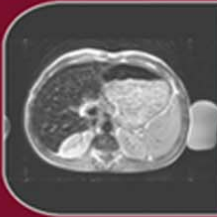
Achievements to date.

- **Oct 04:** Peer reviewed clinical publications;
- **Nov 04:** Australian Government grant to develop fibrosis test;
- **Dec 04 / Jan 05:** Key regulatory clearances (TGA, FDA and CE Mark);
- **Feb 05:** DCA Group (Australia's largest diagnostic imaging group) confirmed as partner for initial Australian commercial roll-out (and U.K);
- **Apr – Aug 05:** Australian pilot marketing phase and initial sales;
- **May 05:** Acquisition of 100% of technology and consolidation of corporate structure;
- **Aug 05:** Expanded agreement with Novartis;
- **Aug 05:** FerriScan to be provided as alternate to biopsy in multi centre trial (TCRN);
- **Sept 05:** Signing of MoU with major US radiology chain.

A low cost, high margin business model.

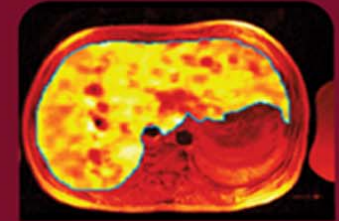
Radiology practices with MRI scanners

Enabled to utilise the FerriScan technology.



MRI image transmitted

Raw MRI liver images are sent via the internet to Resonance Health.



Resonance Health's Central Image Analysis Centre

Proprietary software is applied to the MRI images to produce the accurate and patented iron concentration analysis report (fee for analysis basis).

Test reports transmitted

Results are sent electronically to the referring MRI centre within 2 business days.





FerriScan: Significant addressable market.

	Australia	UK	Europe	USA
Population	20 M	60 M	389 M	280 M
Haemochromatotics ¹	88,000	264,000	1.7 M	1.2 M
Clinically significant iron overload ²	<u>66,000</u>	<u>200,000</u>	<u>1.2 M</u>	<u>760,000</u>

1. Based on published incidence rate of 1:227
2. 1/3 of those people having persistently elevated blood iron markers (including haemochromatotics and others)



Commercial progress: Sales commenced & leading clinical sites active.

Australia: 9 sites

- DCA
- Public hospitals

USA: 7 sites

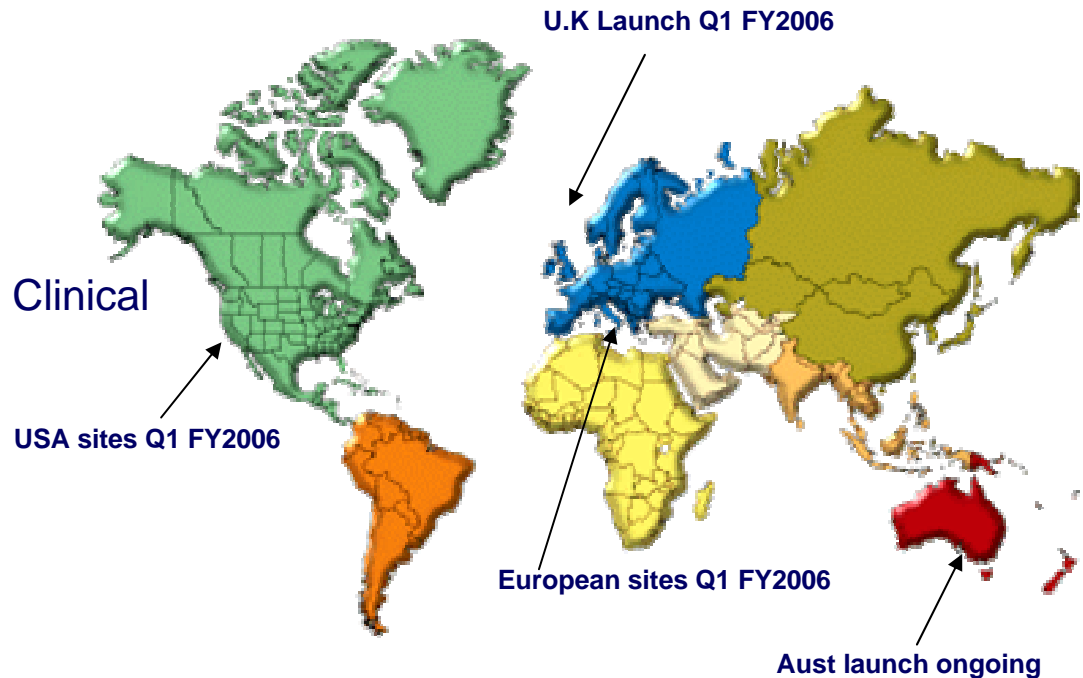
- Pharma and Thalassemia Clinical Research Network

UK: 3 sites

- MedTel
- Public Hospitals

EU/ROW: 5 sites

- Pharma and others



CY2006: Rollout targets and model.



Enabled MRI sites	Australia	UK	Europe	USA	Total
Current	9	3	5	7	24
June 2006	20	20	30	60	130

Average Monthly Scans / MRI	Total Monthly Scans (130 MRI)	Annual Scans	Gross Revenue (@ \$300)	Gross Profit (65%)
8	1040	12,480	\$3.7 M	\$2.4 M
12	1560	18,720	\$5.6 M	\$3.6 M
16	2080	24,960	\$7.5 M	\$4.8 M



Substantial potential for revenue growth.

Enabled MRI Sites		CY2006	CY2007	CY2008	CY2009
150	Revenue Scans (% Market)	\$6.4 M 21,600 (0.8%)			
300	Revenue Scans (% Market)		\$12.9 M 43,200 (1.6%)		
400	Revenue Scans (% Market)			\$17.2 M 57,600 (2.1%)	
500	Revenue Scans (% Market)				\$21.6 M 72,000 (2.6%)

Assumes: 12 scans/month/MRI @ \$300 / scan

Market: Refers to % US, EU, UK and Aus addressable market (one scan / year)



CY2006 targets: Solid foundations in place.

On track to have 130+ FerriScan-enabled MRI sites by June 2006

Forecast to be cash flow positive during CY2006

- Significant radiology partners in place, others to follow
- Commercial customers already in place (Novartis, TCRN) – sites being activated
- Opinion leaders now using FerriScan

With appropriate investment into...

- Sales & marketing activities to accelerate roll-out (in USA)
 - Partners, clinicians, patients and patient groups
- Reimbursement activities

...Sales targets can be met and exceeded



Outlook / Strategy.

- Expand channel partner activation and leverage their marketing capability
- Engage opinion leaders as ambassadors for FerriScan's benefits and insert into clinical guidelines
- Inform patient (groups) about FerriScan
- Foster expanded Pharma relationships
- Engage original equipment manufacturers
- Reimbursement



Our activities.

To Date	Q1 FY2006	Q2 FY2006
<ul style="list-style-type: none"> • One-on-one sales calls • Trial stage and site training • Awareness campaign to early adopters • Australian launch • UK pre-launch • Disease Association engagement • Re-branding – awareness building • Medical Advisory Board 	<ul style="list-style-type: none"> • Further promotion to Specialists • Engagement of GP's • Initiatives with radiology partners (e.g. Partner promotions & conferences) • UK launch • US trial and awareness campaign (First US sales) • Disease Association partnerships • Increase “MarComms” 	<ul style="list-style-type: none"> • Expansion into US, Europe • Conferences: <ul style="list-style-type: none"> – AASLD – ASH – RSNA – GESA • PR initiatives • Increase and adapt “MarComms”

Pipeline: new applications and new products.

Diversification and product improvements

Expanded clinical applications: Co-develop, publish and market expanded clinical algorithms

Pharmaceutical industry: Use in clinical studies where iron levels may affect drug performance or is an appropriate endpoint (FerriScan is already being utilised in a multi-country clinical study)

Fibrosis: Australian government BIF project

Hepatitis C: Assessment of liver iron levels to ensure the efficacy of prescribed drug treatments (1 in 100 people in developed countries)

Diabetes: Potential association of iron levels with onset and management



Summary.

- FerriScan is now commercially available
- FerriScan will become the new gold standard for measurement of Liver Iron Concentration
- Resonance Health is generating revenue from product sales and is positioned for growth
- Commercial partners in place – DCA, Novartis, US Radiology Chain
- On track to have 130 MRI sites enabled by June 2006
- Aim to be cash flow positive during CY 2006

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Forward looking statements and risks.

This presentation contains forward-looking statements that are based on management's current expectations. These statements may differ materially from actual future events or results due to the range of risks and uncertainties associated with the healthcare technology product development process including manufacturing and licensing, risks inherent in the regulatory approval process applicable in the U.S. and Australia including potential delays in obtaining approvals, market acceptance of products, future financial requirements, general economic conditions, and other risks and uncertainties. There can also be no assurance that competitors will not independently develop similar products or processes that seek to circumvent patents owned or licensed by Resonance Health, or that patents owned or licensed by Resonance Health will provide adequate protection or competitive advantage.