



29 April 2011

Resonance Health Ltd (ASX:RHT) Appendix 4C – 3rd Quarter Cash Flow Report

Resonance Health Limited today released its third quarter cash flow report for the period ending 31 March 2011.

Cash at 31 March 2011 was \$1,590,000 representing a decrease of \$84,000 for the March 2011 quarter, compared with a decrease of \$127,000 in the previous quarter.

Cash receipts from customers increased 27% compared to the prior quarter, partly due to the timing of receipt of payments from customers but also reflecting the highest ever quarter for FerriScan volumes, up 18% on the corresponding quarter last year.

Revenue grew by 12% compared to the same quarter in the preceding year. The strong Australian dollar continues to have a negative impact on revenue. The Company has submitted an FDA application for its cardiac iron test providing an opportunity to further increase revenue from the iron overload market where the Company has an established customer base.

Resonance Health continues to work towards gaining access to insurance funding for FerriScan from private and public insurance payers. Some US hospitals are now gaining FerriScan funding through the state based Medicaid insurance scheme and the Company is working to formalise the Medicaid coverage for FerriScan in states with a high prevalence of iron overload.

There was a 10% overall reduction in expenses compared to the previous quarter and the Company continues to manage costs closely. However, cash payments increased compared to the previous quarter due mainly to the timing of payments to creditors.

Resonance Health is actively expanding its product and service portfolio. The Company is preparing an FDA submission for a liver fat diagnostic product and in February 2011 announced an agreement with Pfizer to further develop the Company's liver fibrosis diagnostic technology. An imaging based test for the diagnosis and staging of liver fibrosis provides a significant opportunity for revenue growth for the Company and its shareholders. The results of this study are expected in the first quarter 2012.

For further information please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Resonance Health Limited

ABN

96 006 762 492

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date \$A'000 |
|---|----------------------------|-------------------------|
| 1.1 Receipts from customers | 486 | 1,303 |
| 1.2 Payments for | | |
| (a) staff costs | (349) | (1,010) |
| (b) advertising and marketing | (88) | (253) |
| (c) research and development | (48) | (306) |
| (d) leased assets | - | - |
| (e) other working capital | (73) | (190) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 31 | 80 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes (paid)/received | - | - |
| 1.7 Other Payments | | |
| (a) consulting & professional services | (4) | (32) |
| (b) statutory & compliance | (39) | (130) |
| Net operating cash flows | (84) | (538) |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | | Current quarter | Year to date |
|---|---|-----------------|--------------|
| | | \$A'000 | \$A'000 |
| 1.8 | Net operating cash flows (carried forward) | (84) | (538) |
| Cash flows related to investing activities | | | |
| 1.9 | Payment for acquisition of: | | |
| | (a) businesses (item 5) | - | - |
| | (b) equity investments | - | - |
| | (c) intellectual property | - | - |
| | (d) physical non-current assets | - | (6) |
| | (e) other non-current assets | - | - |
| 1.10 | Proceeds from disposal of: | | |
| | (a) businesses (item 5) | - | - |
| | (b) equity investments | - | - |
| | (c) intellectual property | - | - |
| | (d) physical non-current assets | - | - |
| | (e) other non-current assets | - | - |
| 1.11 | Loans to other entities | - | - |
| 1.12 | Loans repaid by other entities | - | - |
| 1.13 | Other (Cash introduced on acquisition of controlled entity) | - | - |
| | Net investing cash flows | - | (6) |
| 1.14 | Total operating and investing cash flows | (84) | (544) |
| Cash flows related to financing activities | | | |
| 1.15 | Proceeds from issues of shares, options, etc. | - | - |
| 1.16 | Proceeds from sale of forfeited shares | - | - |
| 1.17 | Proceeds from borrowings | - | - |
| 1.18 | Repayment of borrowings | - | - |
| 1.19 | Dividends paid | - | - |
| 1.20 | Other (costs of capital raising) | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (84) | (544) |
| 1.21 | Cash at beginning of quarter/year to date | 1,674 | 2,134 |
| 1.22 | Exchange rate adjustments to item 1.20 | | |
| 1.23 | Cash at end of quarter | 1,590 | 1,590 |

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 40 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |

1.26 Explanation necessary for an understanding of the transactions

| |
|------------------------|
| \$40k – Directors fees |
|------------------------|

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|------|
| N/A. |
|------|

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

| |
|-----|
| N/A |
|-----|

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

+ See chapter 19 for defined terms.

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank | 590 | 575 |
| 4.2 Deposits at call | - | 95 |
| 4.3 Bank overdraft | | |
| 4.4 Other (provide details) | | |
| - Term deposits | 1,000 | 1,000 |
| Total: cash at end of quarter (item 1.22) | 1,590 | 1,674 |

Acquisitions and disposals of business entities

| | Acquisitions <i>(Item 1.9(a))</i> | Disposals <i>(Item 1.10(a))</i> |
|---|--------------------------------------|------------------------------------|
| 5.1 Name of entity | N/A | N/A |
| 5.2 Place of incorporation or registration | | |
| 5.3 Consideration for acquisition or disposal | | |
| 5.4 Total net assets | | |
| 5.5 Nature of business | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Colin McDonald
Company Secretary