



31 October 2011

Resonance Health Ltd (ASX:RHT) Appendix 4C – 1st Quarter Cash Flow Report

Resonance Health Limited today released its first quarter cash flow report for the period ending 30 September 2011.

Cash at 30 September 2011 was \$1,207,000 representing a decrease of \$296,000 for the September 2011 quarter due primarily to the timing of payments and receipts. The Company expected to receive ATO research and development tax concession funds of \$225,000 in the quarter which would have resulted in a quarterly cash burn of \$71,000. These funds should be received during the current quarter and the Company expects a positive cash flow for the December quarter.

During the September quarter, the Company made significant progress on the development of HepaFat Scan™ for the measurement of fatty liver. Results show superior performance at quantifying liver fat compared to the published results of any other test for measuring liver fat. An FDA application for this technology is being prepared and Company representatives will be attending the American Association for the Study of Liver Disease (AASLD) meeting in the US in November to discuss opportunities for the HepaFat Scan™ technology.

Resonance Health is also nearing the final stage of its current study aimed at measuring liver fibrosis using MRI. The Company is pleased with the progress of the study which is on time and on budget and is looking forward to providing shareholders with the results in early 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")

30 September 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	477	477
1.2 Payments for		
(a) staff costs	(403)	(403)
(b) advertising and marketing	(59)	(59)
(c) research and development	(154)	(154)
(d) leased assets	-	-
(e) other working capital	(76)	(76)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Payments		
(a) consulting & professional services	(15)	(15)
(b) statutory & compliance	(62)	(62)
Net operating cash flows	(291)	(291)

+ 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)	(291)	(291)
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	(5)	(5)
	(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	(5)	(5)
1.14	Total operating and investing cash flows	(296)	(296)
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	(296)	(296)
1.21	Cash at beginning of quarter/year to date	1,503	1,503
1.22	Exchange rate adjustments to item 1.20		
1.23	Cash at end of quarter	1,207	1,207

+ 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	82
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$35K – Directors fees
 \$47K – Consulting fees (payment for March-June 2011 consulting 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	207	503
4.2 Deposits at call	-	-
4.3 Bank overdraft		
4.4 Other (provide details)		
- Term deposits	1,000	1,000
Total: cash at end of quarter (item 1.22)	1,207	1,503

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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

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