

31 October 2013

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

Amendment to Page 5 Previous quarter number (Change from 332 to 493 as per previous quarter Appendix 4C).

Resonance Health Limited today released its first quarter Cash Flow Report for the period ending 30 September 2013.

Cash at 30 September 2013 was \$932,144 representing a decrease of \$161k for the September quarter. This compares to a net cash inflow of \$156k in the previous quarter which included EMDG and tax receipt. Cash receipts from customers in the September 2013 quarter were down 5% on the prior quarter. Cash payments in the September 2013 quarter were 12% down on the previous quarter.

Resonance Health provided 1,225 image analysis services in the September 2013 quarter, an increase of 37% over the same period in 2012. The Company's major markets performed well with sales volumes increasing in the UK by 41% and in the USA by 17% compared to the same quarter in the previous year.

Approximately 80% of the image analysis work performed in the September 2013 quarter related to the use of FerriScan in the non-clinical trial setting demonstrating the increasing use of FerriScan by the clinical community and reducing the Company's reliance on a small number of clients. However, contracts with Pharmaceutical companies using FerriScan provide a broader revenue base for the Company including project management and data management services.

Several new FerriScan imaging facilities were established during the quarter, including the first FerriScan facilities in Sweden, Tunisia, China and Vietnam. Some of these countries have significant numbers of patients with iron overload who will benefit from having FerriScan available to assess their liver iron concentration.

Work is continuing on the development of the Company's liver fibrosis test and we hope to have results to provide to shareholders in the next quarterly report. The Company has also finalised the additional information requested by the FDA regarding HepaFat-Scan for the assessment of fatty liver disease. A decision is expected from the FDA in the first quarter of 2014.

For further information please contact:

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+ See chapter 19 for defined terms.

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 October 2013

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	547	547
1.2 Payments for		
(a) staff costs	(381)	(381)
(b) advertising and marketing	(80)	(80)
(c) research and development	(39)	(39)
(d) leased assets	-	-
(e) other working capital	(161)	(161)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Receipts/Payments		
(a) consulting & professional services	(4)	(4)
(b) statutory & compliance	(49)	(49)
(c) grants	-	-
Net operating cash flows	(161)	(161)

+ See chapter 19 for defined terms.

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

		Current quarter	Year to date
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)		
	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	-	-
	(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	-	-
1.14	Total operating and investing cash flows	(161)	(161)
	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	(161)	(161)
1.21	Cash at beginning of quarter/year to date	1,093	1,093
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	932	932

+ 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	\$30.5k
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	\$22.5K – Directors fees \$8K – 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	332	493
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)		
- Term deposits	600	600
Total: cash at end of quarter (item 1.22)	932	1,093

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.

Naomi Haydari
Company Secretary

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