

31 January 2014

**Resonance Health Ltd (ASX:RHT) Appendix 4C – 2nd Quarter Cash Flow Report**

Resonance Health Limited today released its 2nd quarter Cash Flow Report for the period ending 31 December 2013.

Cash at 31 December 2013 was \$745k representing a decrease of \$187k for the December quarter. The Company expects the cash burn to be considerably lower over the next 6 months as work associated with the submission to the Food and Drug Authority (FDA) for HepaFat-Scan has now been completed and other cost saving initiatives have been implemented. As the majority of the Company's revenue is received in US dollars, the lowering of the Australian dollar in recent months is also welcomed.

Resonance Health continued to deliver strong growth in the volume of image analysis services provided, with the December quarter being 34% higher than in the same quarter in the prior year. Much of this work was prepaid in a prior quarter. A significant growth area was the collaboration with Pharmaceutical companies to provide FerriScan services to support patients with iron overload in a number of new geographies.

More than 80% of the image analysis work performed in the December quarter related to the use of FerriScan in the non-clinical trial setting reflecting the growing role of FerriScan in the routine management of patients with iron overload throughout the world, reducing the Company's reliance on the clinical trials of pharmaceutical companies.

Twenty one new FerriScan imaging facilities were established during the quarter, including the first FerriScan facilities in South Africa, Israel, Algeria and Bulgaria and additional FerriScan centres were established in Europe, China, the United States and Australia.

During the quarter the Company received FDA clearance to market HepaFat-Scan for the measurement of fat in the liver. HepaFat-Scan provides an accurate and non-invasive diagnostic solution for the growing fatty liver disease market and the Company is currently developing its commercialisation strategy for this product following its successful FDA submission.

A new application for a FerriScan CPT code in the US market was also submitted in late 2013 and a review date has been set for 5<sup>th</sup>-8<sup>th</sup> February 2014 by the American Medical Association.

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 December 2013

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	521	1,068
1.2 Payments for		
(a) staff costs	(347)	(728)
(b) advertising and marketing	(43)	(123)
(c) research and development	(46)	(85)
(d) leased assets	-	-
(e) other working capital	(244)	(405)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Receipts/Payments		
(a) consulting & professional services	(22)	(26)
(b) statutory & compliance	(23)	(72)
(c) grants	-	-
<b>Net operating cash flows</b>	<b>(198)</b>	<b>(359)</b>

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**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)		
	<b>Cash flows related to investing activities</b>		
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)	-	-
	<b>Net investing cash flows</b>	-	-
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(198)</b>	<b>(359)</b>
	<b>Cash flows related to financing activities</b>		
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)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(198)</b>	<b>(359)</b>
1.21	Cash at beginning of quarter/year to date	932	1,093
1.22	Exchange rate adjustments to item 1.20	11	-
1.23	<b>Cash at end of quarter</b>	<b>745</b>	<b>745</b>

+ 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	\$45.9k
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$25.2K – Directors fees \$20.7K – Consulting fees
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**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.
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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
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**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	-	-

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### 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	345	332
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)		
- Term deposits	400	600
<b>Total: cash at end of quarter</b> (item 1.22)	745	932

### 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.

Adrian Bowers  
Company Secretary

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