

31 March 2014

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

Resonance Health Limited today released its 3rd quarter Cash Flow Report for the period ending 31 March 2014.

The Company is pleased to announce a positive cash flow quarter, with cash at 31 March 2014 of \$829,520 representing an increase of \$91k for the quarter. This reflects an increase in receipts from customers and lower operating expenses.

Receipts from customers were 25% higher than in the December 2013 quarter and 33% higher than in the March 2013 quarter demonstrating a growing demand for the Company's services.

Resonance Health continues to deliver strong growth in the volume of image analysis services provided. The March 2014 quarter volumes were 6.5% higher than in the previous quarter and 34% higher than in the same quarter in the prior year.

Research and development expenditure has been reduced and HepaFat-Scan[®] has now been cleared for marketing by the United States Food and Drug Authority (FDA). The Company has commenced discussions with key opinion leaders in the United States that have expressed potential interest in HepaFat-Scan[®] in various clinical scenarios, including:

- in the research setting to evaluating new drugs in development for nonalcoholic fatty liver disease
- initial work-up to confirm fatty liver disease diagnosis and to decide how aggressively to treat
- investigation of elevated liver enzyme levels prior to referral to a specialist, potentially eliminating the need for a specialist consultation
- useful as objective data to educate patients during counseling and improve patient compliance to a management program (lipid lowering, diabetes control, and weight loss)
- screening for potential existing liver damage before prescribing drugs with known liver toxicity issues
- useful add-on test to traditional MRI for annual liver cancer screening for patients with fibrosis
- useful in surgical planning to improve patient outcome and prevent excessive bleeding during liver surgery which is often associated with excess liver fat.

The Company is also continuing its research and development work on an MRI test that can accurately assess liver fibrosis.

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 March 2014

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	649	1,556
1.2 Payments for		
(a) staff costs	(322)	(1,050)
(b) advertising and marketing	(49)	(172)
(c) research and development	(8)	(93)
(d) leased assets	-	-
(e) other working capital	(133)	(378)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Receipts/Payments		
(a) consulting & professional services	(19)	(45)
(b) statutory & compliance	(28)	(100)
(c) grants	-	-
	94	(266)
Net operating cash flows		

+ 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	(3)	(3)
	(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	91	(269)
	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	91	(269)
1.21	Cash at beginning of quarter/year to date	745	1,093
1.22	Exchange rate adjustments to item 1.20	(7)	5
1.23	Cash at end of quarter	829	829

+ 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	\$38k
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$23K – Directors fees \$15K – 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	-	-

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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	429	345
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)		
- Term deposits	400	400
Total: cash at end of quarter (item 1.22)	829	745

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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