Resonance Health Ltd
ASX / Media Release **3 June 2014**

Resonance Health Ltd signs Non-Binding Heads of Agreement with VueKlar Cardiovascular Ltd

- Heads of Agreement signed to acquire 100% of VueKlar Cardiovascular Limited
- All scrip transaction
- VueKlar own a robust patent portfolio focused on MRI enhanced medical devices
- VueKlar's lead device addresses the large peripheral artery disease market
- Unique product differentiation
- Significant target market size ($2b)
- Strong synergy with Resonance Health's MRI expertise

Resonance Health is pleased to announce that it has signed a non-binding heads of agreement to acquire 100% of VueKlar Cardiovascular Ltd, a UK based medical technology business. Resonance Health and VueKlar have agreed to undertake final due diligence and work towards legally binding agreements by the end of July which will be a scrip for scrip transaction. The transaction will provide another pipeline for growth for the Company which is aligned to the Company's strengths and experience in the development and commercialisation of magnetic resonance imaging (MRI) related Medical Devices.

The Board also wishes to disclose that one of its Directors, Jason Loveridge, is also a Director of VueKlar Cardiovascular Ltd. All necessary shareholder approvals for the transaction to proceed will be undertaken, in according with the ASX Listing Rules and Corporations Act.

VueKlar Cardiovascular Ltd

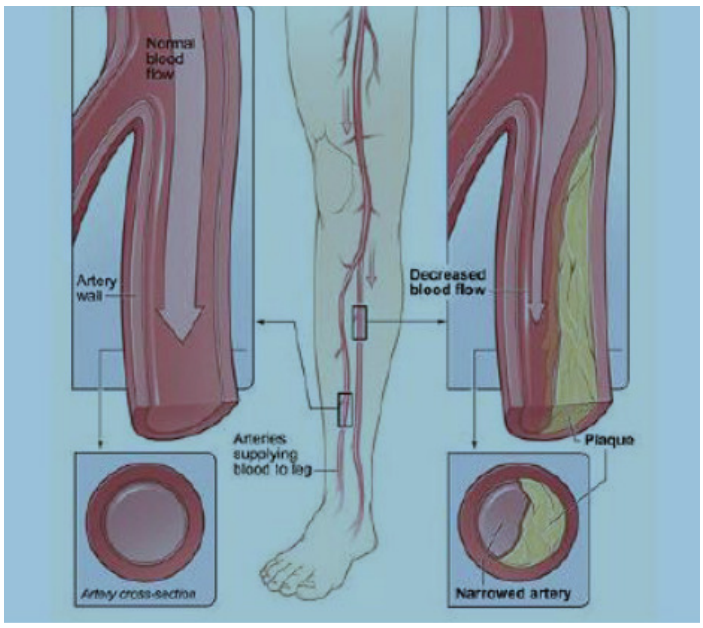
VueKlar is a private UK company specializing in the development of a novel technology platform for the MR-Enhancement of medical devices. Their unique patent protected technology enables the non-invasive delivery and examination of any medical device in the body. VeuKlar has chosen to focus initially on developing an MRI visible stent for patients with peripheral arterial disease.

Peripheral arterial disease is a disease of the arteries outside the heart and brain that can lead to loss of a limb and can be life-threatening. Peripheral artery disease is characterised by narrowing and hardening of the arteries that supply blood to the legs and feet. It occurs when cholesterol and scar tissue build up, forming plaque inside the arteries. The figure on the next page shows a normal blood low in a lower limb and the constricted blood flow on the right.

Peripheral arterial disease is a common chronic condition affecting more than 27 million people across Europe and North America and a further 25 million in China alone. It is a significant and growing clinical problem due to ageing populations and the rise in cardiovascular risk factors, such as diabetes and obesity.

Peripheral Artery Disease (PAD)

(normal blood flow on the left and narrowed artery on the right)



A high percentage of patients with peripheral arterial disease are treated with stents. A stent is a mesh-like structure placed into the blocked or narrowed peripheral artery to widen it and allow for normal blood flow through the vessel. VueKlar is developing a next generation peripheral stenting system that will transform the treatment of peripheral arterial disease in the lower extremities.

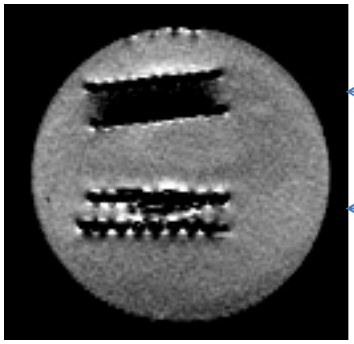
Current stents on the market are typically made of metal which does not allow MR imaging. VueKlar's unique patent protected technology enables the non-invasive delivery and examination of the stent by MRI. This technology presents a unique value proposition by:

- enabling earlier and more informative follow-up and management of patients
- enabling problems inside the stent to be diagnosed using MRI
- reducing patient exposure to carcinogenic x-rays
- reducing patient exposure to contrast agents which can be toxic to the kidney and are unsuitable for many patients with diabetes
- incorporating innovative design features designed to reduce stent-related complications as compared to competing products, enabling better outcomes for patients.

The picture on the left shows the MRI of a patient with two stents implanted. Unfortunately, due to their metallic structure, current stents produce an image void or dark blob in the MRI scan. This means that MRI cannot be used for guiding implantation of the stent or for further diagnostic imaging as the patient's disease progresses.

The picture on the right shows a current commercial stent and the VueKlar MR-Enhancing stent.

With the use of MRI, the inside of the VueKlar stent can be seen, enabling the physician to assess if it is functioning properly over time and allowing normal blood flow.



VueKlar's proprietary technology also has applications outside of peripheral vascular disease including cardiovascular implants such as transcatheter heart valves, occluders and filters, providing additional commercialisation opportunities.

Resonance Health believes that VueKlar's extensive patent portfolio, the large addressable market, competitive advantage of the technology and synergies with our expertise and experience in magnetic resonance imaging medical devices, makes this an exciting opportunity for the Company and its shareholders. The VueKlar team also has considerable expertise in this market.

We look forward to updating our shareholders as we progress the due diligence phase of this opportunity.

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Resonance Health Ltd (ASX: RHT) (www.resonancehealth.com) is a medical device company providing imaging core laboratory services for the quantitative analysis of MR medical images, with a subspecialty in the liver. Resonance Health's patented FerriScan technology provides a safe and accurate alternative for measuring liver iron concentration. HepaFat-Scan is FDA cleared for the measurement of liver fat and research continues into the development of new technology for the accurate assessment of liver fibrosis.