Resonance Health Ltd
ASX / Media Release **5 June 2014**

Resonance Health Update

On Tuesday 3 June, Resonance Health announced that it had signed a non-binding Heads of Agreement with VueKlar Cardiovascular Ltd which has raised some questions from shareholders.

The Directors of Resonance Health would like to emphasize that the Agreement is non-binding and will enable a period in which the Company can formally review VueKlar and its technology in detail in order to make a fully informed decision regarding the merits of this opportunity for shareholders. If the due diligence is favourable, the Company will seek shareholder approval with an EGM.

Should the transaction proceed, it will involve an initial scrip for scrip exchange of less than 15% of the current issued capital of RHT.

The Board recognizes that the market for stents is large and competitive with some significant companies operating in this market. Whilst bare metal stents have the largest share of the market currently, these are being challenged by the performance of new stents including covered and drug eluting stents. The VeuKlar stent technology is a covered metal stent targeted specifically at peripheral artery disease (PAD) incorporating its proprietary MR-Enhancement technology allowing visibility inside the stent with MRI follow-up, that is not possible with stents currently available.

VueKlar has established relationships with several facilities in Europe and the US to manufacture the main stent components.

Based on initial assessments, we estimate commercialization could be expected within 2-3 years and likely to involve a license or trade sale of the peripheral stent technology to one of the major players in this market.

Resonance Health has demonstrated experience in the development of MRI based medical devices taking them through to regulatory approval in the US, Canada, Europe and Australia. The Company has an established ISO 13485 quality system, which is the international standard for quality management systems for all medical devices. However, it is acknowledged that the regulatory requirements for an implantable device such as a stent are higher than those required for software medical devices. These requirements and the associated investment, risks and timelines will be reviewed in the due diligence process.

Resonance Health remains committed to its existing IP, including FerriScan, the commercialization of HepaFat-Scan and the research and development of an MRI based fibrosis test.

FerriScan continues to deliver strong growth and the volume of FerriScan's provided in May was larger than in any other month in the Company's history and were approximately 20% higher than in May 2013. A year on year revenue increase of approximately 20% is expected this financial year.

We will continue to update shareholders as new information becomes available through this process.

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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.