

30 July 2014

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

Resonance Health Limited today released its 4th quarter Cash Flow Report for the period ending 30 June 2014.

Cash on hand at 30 June 2014 was \$2,097,000 compared to cash on hand at 30 June 2013 of \$1,093,000.

The Company is pleased to announce a positive net operating cash flow quarter. This follows the positive cash flow results announced in the March quarter.

In the June quarter, net operating cash increased by \$45,000 reflecting an increase in customer receipts and lower operating expenses. This result includes costs of \$95,000 associated with the due diligence of a potential acquisition target in the 2013-14 financial year. The Company decided not to proceed with this acquisition.

The FerriScan[®] business unit continues to grow and in the June Quarter receipts from customers were 8% higher than the same quarter in the previous year. For the full year, receipts from customers were AU\$2,179,000, an increase of 17% on the previous financial year. Growth in the volume of work performed increased more than 30% year on year and over 60 new radiology facilities were set up for FerriScan[®] imaging during the year.

Expenditure on the commercialisation of the Company's HepaFat-Scan[®] product for assessing fatty liver is focused on the clinical drug trial market and utilising the Company's global network of hospitals currently using FerriScan[®]. Several of our existing customers have expressed an interest in piloting the product.

No Export Market Development Grant (EMDG) or Research and Development Tax Rebate were received during the year, compared to \$146k and \$189k respectively, in the prior year.

During the June Quarter, the Company raised \$1,277,521 (less costs) via the issue of 25,550,419 million shares at 5 cents per share.

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")

30 June 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	623	2,179
1.2 Payments for		
(a) staff costs	(248)	(1,298)
(b) advertising and marketing	(108)	(280)
(c) research and development	(105)	(198)
(d) leased assets	-	-
(e) other working capital	(21)	(399)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	20
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)	(49)
(b) statutory & compliance	(1)	(101)
(c) grants	-	-
(d) Due diligence expense	(95)	(95)
Net operating cash flows	45	(221)

+ 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	(1)	(4)
	(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)	(4)
1.14	Total operating and investing cash flows	44	(225)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	1,277	1,277
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)	(49)	(49)
	Net financing cash flows	1,228	1,228
	Net increase (decrease) in cash held	1,272	1,003
1.21	Cash at beginning of quarter/year to date	829	1,093
1.22	Exchange rate adjustments to item 1.20	(4)	1
1.23	Cash at end of quarter	2,097	2,097

+ 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	\$25k
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$21K – Directors fees \$4K – 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.

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	497	429
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)		
- Term deposits	1,600	400
Total: cash at end of quarter (item 1.22)	2,097	829

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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