

Appendix 3B and Secondary Trading Notice

Secondary Trading Notice (the “Notice”) Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 (the “Act”)

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act.

By giving this notice, a sale of shares noted in the Appendix 3B dated 2 December 2019 and lodged on the ASX on that date (“Shares”) will fall within exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) The Company has issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this Notice, the Company has complied with provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and;
- (c) as at the date of this notice, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act.

Yours faithfully,

Agha Shahzad Pervez
Company Secretary, Resonance Health

E: aghas@resonancehealth.com P: +61 (0)8 9286 5300

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Resonance Health Ltd

ABN

96 006 762 492

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (1) Ordinary Fully Paid Shares
(on conversion of incentive options)

(2) Unlisted Incentive Options which upon exercising will convert into ordinary fully paid shares

(3) Unlisted Employee Incentive Options which upon exercising will convert into ordinary fully paid shares (new issue of incentive options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (1) 750,000 Fully Paid Shares

(2) 200,000 Incentive Options

(3) 12,000,000 Incentive Options |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>(1) Ordinary shares will rank pari passu with existing ordinary shares</p> <p>(2) Unlisted Incentive Options will expire on 1 December 2022 and are subject to satisfaction of vesting conditions, exercisable at \$0.10</p> <p>(3) Unlisted Incentive Options will expire on 28 November 2022 on the following terms and conditions: - 4,000,000 Options exercisable at \$0.15, which shall vest only if and when the market price of an ordinary share in the Company is at least \$0.15; - 4,000,000 Options exercisable at \$0.175 which shall vest only if and when the market price of an ordinary share in the Company is at least \$0.175; - 4,000,000 Options will vest subject to satisfaction of vesting conditions exercisable at \$0.20 which shall vest only if and when the market price of an ordinary share in the Company is at least \$0.20;</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(1) Yes</p> <p>(2) and (3) Yes, all shares issued on conversion of the unlisted options will rank pari-passu with existing fully-paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>(1) \$32,500 250,000 Incentive Options Exercised at \$0.03 500,000 Incentive Options Exercised at \$0.05</p> <p>(2) Nil</p> <p>(3) Nil</p>

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(1) Exercise of Incentive Options</p> <p>(2) Issue under Incentive Option Plan</p> <p>(3) Issued to Directors. Refer to Resolution 4,5,6 and 7 of the Notice of Annual General Meeting dated 28 November 2019</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>(1) Yes</p> <p>(2) No</p> <p>(3) Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>(1) 8 November 2018</p> <p>(3) 28 November 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>(2) 200,000 Incentive Options</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>Nil</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>Not Applicable</p>

+ See chapter 19 for defined terms.

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

Not Applicable

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

See Annexure 1

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

2 December 2019

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
427,133,933	Ordinary Shares
<u>+750,000</u>	Shares upon exercise of options
427,883,933	Total Number of Ordinary Shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	5,500,000	Options exercisable at 0.03 on or before 9 March 2021
	3,250,000	Options exercisable at 0.05 on or before 9 March 2021
	4,500,000	Options exercisable at 0.075 on or before 9 March 2021
	4,750,000	Options exercisable at 0.10 on or before 9 March 2021
	250,000	Options exercisable at 0.075 on or before 13 September 2021
	1,000,000	Options exercisable at 0.075 on or before 1 January 2022
	3,000,000	Options exercisable at 0.10 on or before 1 January 2022
	3,000,000	Options exercisable at 0.125 on or before 1 January 2022
	3,000,000	Options exercisable at 0.10 on or before 13 June 2022
	4,000,000	Options exercisable at 0.15 on or before 28 November 2022
	4,000,000	Options exercisable At \$0.175 on or before 28 November 2022
	4,000,000	Options exercisable at \$0.20 on or before 28 November 2022

+ See chapter 19 for defined terms.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new offer documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not Applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not Applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

+ See chapter 19 for defined terms.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 +Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company secretary)

Date: 03 December 2019

Print name: Agha Shahzad Pervez

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital																						
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated																						
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	402,497,568																					
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 30%; text-align: center;">30/04/2019</td> <td style="width: 40%; text-align: right;">20,000,000</td> </tr> <tr> <td></td> <td style="text-align: center;">16/07/2019</td> <td style="text-align: right;">4,500,000</td> </tr> <tr> <td></td> <td style="text-align: center;">16/07/2019</td> <td style="text-align: right;">136,365</td> </tr> <tr> <td><i>Note:</i></td> <td style="text-align: center;">03/12/2019</td> <td style="text-align: right;">750,000</td> </tr> <tr> <td>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></td> <td style="text-align: center;">Nil</td> <td></td> </tr> <tr> <td>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></td> <td style="text-align: center;">Nil</td> <td></td> </tr> <tr> <td>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></td> <td style="text-align: center;">Nil</td> <td></td> </tr> </table>		30/04/2019	20,000,000		16/07/2019	4,500,000		16/07/2019	136,365	<i>Note:</i>	03/12/2019	750,000	• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i>	Nil		• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i>	Nil		• <i>It may be useful to set out issues of securities on different dates as separate line items</i>	Nil	
	30/04/2019	20,000,000																				
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• <i>It may be useful to set out issues of securities on different dates as separate line items</i>	Nil																					
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil																					
“A”	427,883,933																					

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	64,182,590
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>9,000,000</p> <p>200,000</p>
“C”	9,200,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	64,182,590
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	9,200,000
Total [“A” x 0.15] – “C”	54,982,590 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Resonance Health Limited is not an eligible entity under Listing Rule 7.1A and as such has not completed the Annexure.