



30 July 2010

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

Resonance Health Limited today released its fourth quarter cash flow report for the period ending 30 June 2010.

Cash at 30 June 2010 was \$2,134,000 representing a decrease of \$214,000 for the June 2010 quarter. Expenditure increased as budgeted, on building the liver diagnostic test pipeline and international marketing of the FerriScan technology, particularly in the US and UK.

Revenue associated with the use of FerriScan in clinical trials for iron chelation therapies decreased over this period as several trials were completed. Importantly however, FerriScan revenue associated with non-clinical trial use of the test to diagnose and monitor patients with iron overload increased during the year. This is the key market for Ferriscan into the future.

FerriScan is continuing to gain growing support from the clinical community and the Company is working on several strategic initiatives involving reimbursement for FerriScan.

Research and development expenditure has been focused on improving efficiencies in the delivery of the FerriScan service and on the development of novel methods for measuring liver fibrosis and liver fat using MRI technology.

During the year, a clinical study involving 59 patients was completed. The results demonstrated the ability of the test to distinguish fibrosis from healthy tissue but did not show strong competitive advantage at the other stages of liver fibrosis grading. Before embarking on further development, the company undertook an international market assessment of the preliminary data. The company has now received very positive feedback on a test that performs well at distinguishing fibrosis from healthy tissue and is seeking partners to assist through the next phase of development of the test.

The development of a test to assess liver fibrosis and liver fat represents an excellent opportunity for growth for the Company and an attractive market to complement the Company's existing product and expertise.

For further information please contact:

**Resonance Health**

Liza Dunne  
Managing Director  
T: +61 8 9286 5300  
E: lizad@resonancehealth.com

Eva O'Malley  
Company Secretary  
T: +61 8 9286 5300  
E: evao@ferriscan.com

# 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 2010

### 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	336	1,888
Other Receipts - Grant	76	76
1.2 Payments for		
(a) staff costs	(387)	(1,223)
(b) advertising and marketing	(75)	(254)
(c) research and development	(91)	(544)
(d) leased assets	-	-
(e) other working capital	(47)	(244)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	67
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Payments		
(a) consulting & professional services	(10)	(59)
(b) statutory & compliance	(14)	(121)
(c) travel	(10)	(50)
<b>Net operating cash flows</b>	<b>(212)</b>	<b>(464)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

		Current quarter	Year to date
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	<b>(212)</b>	<b>(464)</b>
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(2)	(47)
	(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)	-	-
	<b>Net investing cash flows</b>	<b>(2)</b>	<b>(47)</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(214)</b>	<b>(511)</b>
<b>Cash flows related to financing activities</b>			
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)	-	-
	<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
	<b>Net increase (decrease) in cash held</b>	<b>(214)</b>	<b>(511)</b>
1.21	Cash at beginning of quarter/year to date	2,348	2,645
1.22	Exchange rate adjustments to item 1.20		
1.23	<b>Cash at end of quarter</b>	<b>2,134</b>	<b>2,134</b>

+ 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	60
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$44k – Directors fees \$16k – 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	-	-

---

+ See chapter 19 for defined terms.

### 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	473	280
4.2 Deposits at call	161	360
4.3 Bank overdraft		
4.4 Other (provide details)		
- Term deposits	1,500	1,708
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,134</b>	<b>2,348</b>

### 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.

Eva O'Malley  
Company Secretary

---

+ See chapter 19 for defined terms.