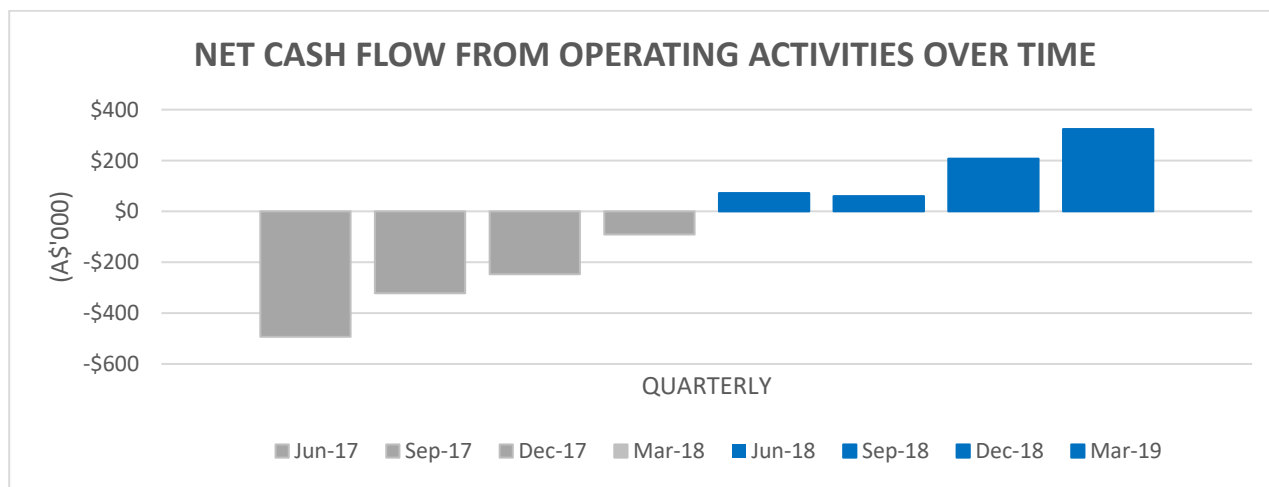
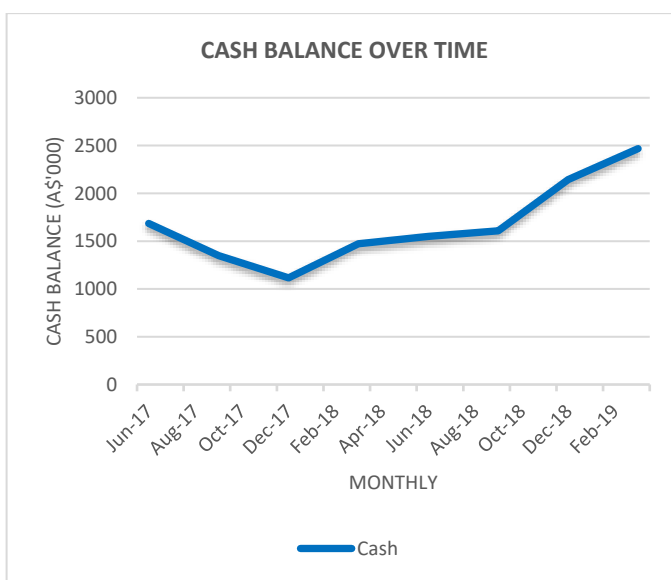
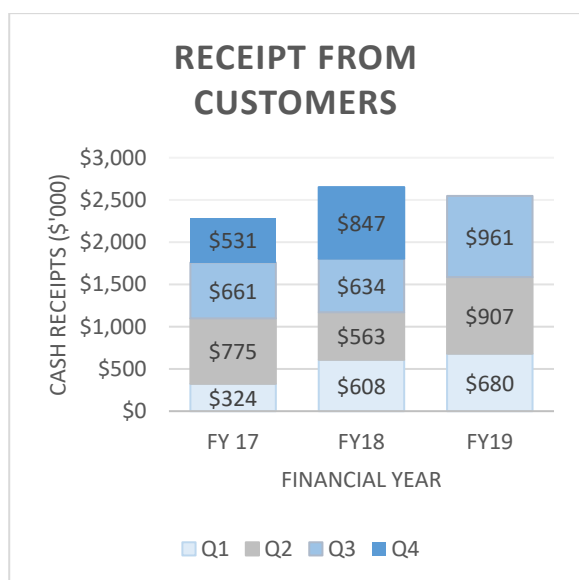


APPENDIX 4C – 3RD QUARTER FY18/19 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) today released its Appendix 4C – Quarterly Report for the period ended 31 March 2019.

Summary of Key Financials and Business Performance

- Cash receipts from customers for the March 2019 quarter were \$961K, an increase of 6% versus the December 2018 quarter and an increase of 34% versus the March quarter for the previous year.
- Total revenue for the March quarter was \$941K (unaudited), an increase of 10% versus the March quarter for the previous year.
- Cash on hand as of 31 March 2019 was \$2.47m, an increase of \$323K over the December 2018 quarter.



Highlights of March quarter

- Non-exclusive License Agreement signed with Wisconsin Alumni Research Foundation (WARF) for the use of patents owned by WARF. The License Agreement allows the licensed patents to be used in the development and commercialisation of new and/or alternative methods for measuring proton density fat fraction (PDFF) using MRI images (see ASX announcement dated 3 January 2019). A development plan was submitted to WARF within 30 days of executing the license agreement as required.
- Distribution Agreement signed with EnvoyAI, for the distribution of the Company's FerriSmart® product, which recently received FDA regulatory clearance (see ASX announcement dated 3 December 2018). The agreement enables seamless integration of FerriSmart to EnvoyAI's global network of over 5,000 installations, including 85 of the largest 100 hospitals in the USA (see ASX announcement dated 15 January 2019). Since then FerriSmart has been successfully integrated into the EnvoyAI platform and initial FerriSmart training has been completed, for the EnvoyAI salesforce.
- Resonance Health has executed a contract extension and a contract amendment for a previously announced clinical trial (see ASX announcement dated 23 August 2018 – "Resonance Health contracted for two new clinical trials"). The approximate value of the amendment and extension is US\$300,000 over a twenty-four month period and services provided include project and data management, and additional FerriScan® analyses.
- Resonance Health commenced work and started receiving payment in the March quarter for two previously announced clinical trials (see ASX announcements dated 31 October 2018 – "New Work Order to provide services for Clinical Trial", and 29 October 2018 – "Appendix 4C – Quarterly Report"). All contracted clinical trials include a recurring monthly project and data management fee in addition to a number of other fees including analysis fees.
- CEO, Alison Laws, and non-executive Director, Mitchell Wells, conducted an investor roadshow in Melbourne and Sydney during March to profile the Company to various brokers and funds as part of ongoing investor relations.
- For the imaging component of the Dragon 2 Study (shorter FerriScan® acquisition times and 3T calibration), due to the success of preliminary results, the Company is collaborating with a well-known large US hospital. The hospital is an existing user of the FerriScan® service and is assisting Resonance Health with this work.
 - Data sets including shorter acquisition and 3T calibration are now being received from the existing FerriScan® customer in the United States;
 - The new data sets, alongside previous data sets obtained from Vietnam, allow protocol to be tested across multiple scanner manufactures.
- Upgrades are being performed to in-house process control software to increase efficiencies in workflows, enabling a more streamlined service delivery to customers.
- The Company is promoting FerriSmart and HepaFat-Scan in new territories, including India and Pakistan.
- Investment in R&D has continued, but with a greater focus on commercial outcomes, and diversification of the existing R&D pipeline has been a priority. In addition to imaging projects, the Company is expanding its AI research, and is also investing in a small number of molecular projects.

For further information please contact:

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+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Resonance Health Limited	
ABN	Quarter ended (“current quarter”)
96 006 762 492	31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	961	2548
1.2 Payments for		
(a) research and development	(147)	(426)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(59)	(200)
(d) leased assets		
(e) staff costs	(350)	(1051)
(f) administration and corporate costs	(92)	(313)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	17
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	0	328
1.9 Net cash from / (used in) operating activities	319	903

+ See chapter 19 for defined terms.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(3)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.6 Net cash from / (used in) investing activities	(2)	(3)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(0)	(0)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2144	1549
4.2	Net cash from / (used in) operating activities (item 1.9 above)	319	903
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(0)	(0)
4.5	Effect of movement in exchange rates on cash held	7	19
4.6	Cash and cash equivalents at end of quarter	2468	2468

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2468	2144
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2468	2144

+ See chapter 19 for defined terms.

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6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	70
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

\$45K – Directors fees \$25K – Consultancy fees
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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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+ See chapter 19 for defined terms.

8. Financing facilities available
Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(168)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(53)
9.4 Leased assets	-
9.5 Staff costs	(357)
9.6 Administration and corporate costs	(90)
Estimated cash outflows	(668)
9.7 Estimated receivables	840
9.8 Total estimated cash inflows	172

+ See chapter 19 for defined terms.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: **Agha Shahzad Pervez**
(Company secretary)

Date: 16 April 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.