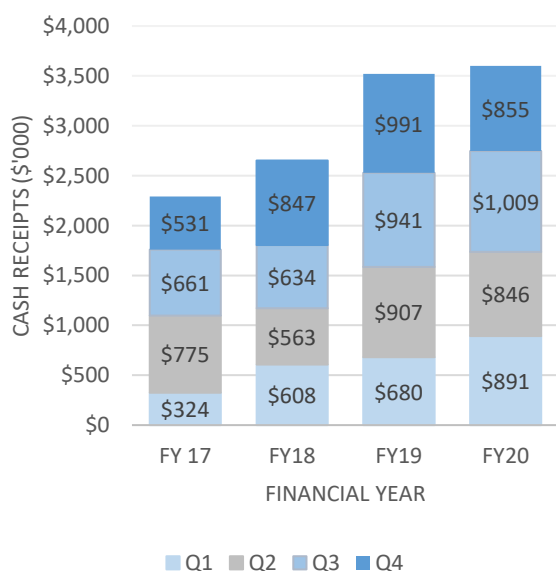


APPENDIX 4C – 4TH QUARTER FY19/20 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) today releases its Appendix 4C – Quarterly Report for the period ended 30 June 2020.

Summary of Key Financials and Business Performance for the June quarter

- The Company filed a provisional patent with IP Australia covering the application of novel Antisense Oligonucleotides (ASOs) to treat liver related disease. If successfully granted, the patent would have a term of 20 years from the complete (PCT) filing date (see ASX announcements dated 25 May 2020 and 26 May 2020).
- A 510(k) application for regulatory clearance was submitted to the United States Food and Drug Administration (“US FDA”) for the Company’s newly developed AI solution, HepaFat-AI (see ASX announcement dated 6 April 2020).
- The Company’s cash on hand as of 30 June 2020 was \$6.97m, an increase of \$115K over the March 2020 quarter.
- Cash receipts from customers for the June 2020 quarter were \$855K.
- Total revenue for the June quarter was \$841K (unaudited).
- The Company executed a new contract to provide services to a pharmaceutical company for their upcoming clinical trial. Additionally, an amendment to extend the period of an existing service contract with a pharmaceutical company was executed. The total aggregated sum of these is USD \$692,450, subject to full completion of these trials. The contract and amendment were not announced as individual contract sums were not material.

RECEIPT FROM CUSTOMERS

CASH BALANCE OVER TIME


Capital Matters - Cancellation of Unlisted Options

The Company advises of the cancellation of 5,000,000 unlisted options under the following issues:

1,000,000 options (RHTAA), options exercisable at \$0.075 on or before 1 January 2022.

2,000,000 options (RHTAA), options exercisable at \$0.100 on or before 1 January 2022.

2,000,000 options (RHTAA), options exercisable at \$0.125 on or before 1 January 2022.

Listing Rule 4.7C3

With respect to item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately \$75K were made during the quarter. This comprised of \$45K of remuneration paid to non-executive directors, and \$30K for the consultancy services pertaining to contractual and corporate matters provided by Mr. Mitchell Wells through his service company, Biggles Pty Ltd (ATF the Biggles Investment Trust). Mr. Wells is a director of the Company and he is therefore a related party.

Authorised by

This announcement has been authorised for release in accordance with the delegated authority of the Board of Directors of Resonance Health Limited.

"Resonance Health would like to acknowledge the benefit provided by the Federal Government through the JobKeeper payment arrangement and the cash flow boost payment during the current COVID-19 period." Dr Martin Blake, Chairman.

About Resonance Health

Resonance Health is an Australian publicly listed healthcare company specialising in the development and commercialisation of medical imaging-related technologies and analysis services. Resonance Health has proprietary products for use in the diagnosis and monitoring of patients with iron overload and for use in diseases such as non-alcoholic steatohepatitis (NASH) and non-alcoholic fatty liver disease (NAFLD). The Company's Gold Standard analysis technology (FerriScan®) for quantification of liver iron concentration, alongside the Company's Cardiac T2* analysis service, have become established in international 'Standards of Care' for Thalassemia. Resonance Health's research and development work has culminated in FerriSmart which is the Company's first artificial intelligence (AI) tool with international regulatory clearances (FDA, CE Mark, TGA). A regulatory dossier has been submitted to the US FDA for a second artificial intelligence tool, HepaFat-AI. As part of the Company's Molecular Medicine R&D stream, two patents have been submitted covering the application of novel Antisense Oligonucleotides (ASOs) to treat liver related disease, and for the discovery and use of novel blood markers to determine an individual's iron status.

For further information please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Resonance Health Limited

ABN

96 006 762 492

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	855	3601
1.2 Payments for		
(a) research and development	(95)	(400)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(62)	(231)
(d) leased assets		
(e) staff costs	(492)	(1736)
(f) administration and corporate costs	(222)	(627)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	48
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	190*	430
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	178	1085
<i>*Includes \$117K from JobKeeper Payment and \$73K for PAYG Cashflow Boost</i>		

2. Cash flows from investing activities

2.1 Payments to acquire:

(a) entities		
(b) businesses		
(c) property, plant and equipment		(2)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		2750
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		52
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		2802

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6859	3081
4.2	Net cash from / (used in) operating activities (item 1.9 above)	178	1085
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)		2802
4.5	Effect of movement in exchange rates on cash held	(63)	8
4.6	Cash and cash equivalents at end of period	6974	6974

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	6974	6859
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)	6974	6859

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

75

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

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

7.5 **Unused financing facilities available at quarter end**

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

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

178

8.2 Cash and cash equivalents at quarter end (Item 4.6)

6974

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

6974

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

39

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 28 July 2020

Authorised by: By the Board of Directors of Resonance Health Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.