

8 February 2018

Violetta Codreanu  
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ASX Compliance Pty Limited  
20 Bridge Street  
SYDNEY NSW 2000

By email: [violetta.codreanu@asx.com.au](mailto:violetta.codreanu@asx.com.au)

Dear Violetta,

**Oncosil Medical Ltd (the "Company") – Response to ASX Appendix 4C Query Letter**

Thank you for your letter dated 2 February 2018 regarding the Appendix 4C lodged with the ASX Market Announcements Platform and released on 29 January 2018. The Company's responses to the questions raised in your letter are set out below:

**Question 1: Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Yes. The Company is in the late stages of developing its technology and anticipates having negative operating cash flows for the immediate future.

The Company advises however that it has taken steps to reduce its cash outflow, including by reducing operating and personnel costs by approximately \$1.0 million per annum, cost reductions will impact cash flows in the period after lodgement of the March 2018 quarter Appendix 4C.

**Question 2: Has the Company 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?**

As per the recently issued Appendix 4C (29 January 2018), the Company has more than two (2) quarters of cash remaining based on internal forecasted cash projections.

The Company notes that it continues to actively manage its cash outflow, including taking recent steps to reduce operating and personnel costs by approximately \$1.0 million per annum, these cost reductions will impact on cash flows in the period after lodgement of the March 2018 quarter Appendix 4C.

The Board and Management are actively considering options to support the Company's ongoing clinical trial programme, including funding options and commercial agreements. Once these determinations have been made the Company will update the market accordingly.

**Question 3: Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

The Company does expect to continue its operations and to meet its business objectives, on the following bases:

- (a) the Company, as indicated at item 2 above, has more than two full quarters of cash remaining

- (b) the Company has reduced its operating costs (the cost reductions referred to in item 1 above, which were not reflected in the Appendix 4C) and will look to see where there may be further cost efficiencies to further extend its cash runway;
- (c) it is expecting to complete lodgement of all documentation for its CE Mark by the end of the second quarter of 2018, which is anticipated to attract further commercial and investor interest in the Company;
- (d) the Company expects a significant income tax refund of approximately \$4.0m in respect of the 2017/18 financial year in October 2018.

**Question 4: Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.**

The Company is in compliance with Listing Rule 3.1 and there is no information that should be given to the ASX about its financial condition in accordance with that Rule that has not already been released to the Market.

**Question 5: Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.**

The above responses have been authorised in accordance with the Company's published continuous disclosure policy.

We look forward to discussing the above with you, if required, and trust that it amply answers your questions and will not be released, but rather disclosed by the Company if, and at the times required pursuant to the Listing Rules.

Please do not hesitate to contact me should you wish to discuss this matter further.

Thanks



Tom Milicevic  
Chief Financial Officer/Company Secretary



2 February 2018

Mr Tom Milicevic  
Chief Financial Officer and Company Secretary  
OncoSil Medical Limited  
Level 4  
50 Berry Street  
North Sydney NSW 2060

By email: [tom.milicevic@oncosil.com.au](mailto:tom.milicevic@oncosil.com.au)

Dear Mr Milicevic

**OncoSil Medical Limited (the “Company”): Appendix 4C Query**

We refer to the Company’s Appendix 4C quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform and released on 29 January 2018 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$3,326,000;
- cash at the end of the quarter of \$5,188,000; and
- estimated cash outflows for the next quarter of \$3,150,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9:30am AEDT on Thursday, 8 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

*[sent electronically without signature]*

Violetta Codreanu

**Senior Adviser, Listings Compliance (Sydney)**