Appendix 4D

Half Year Report
to the Australian Securities Exchange

Part 1

Name of Entity	PainChek Limited (formerly EPAT Technologies Limited)
ABN	21 146 035 127
Half Year Ended	31 December 2017
Previous Corresponding Reporting Period	Half Year Ended 31 December 2016

Part 2 – Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from continuing operations	27	8%
Loss from continuing activities after tax attributable to members	(3,417)	(51%)
Net loss attributable to members	(3,417)	(51%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

See directors' report

Part 3 – Contents of ASX Appendix 4D

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4D
Part 4	Commentary on results
Part 5	Details relating to dividends
Part 6	Net tangible assets per security
Part 7	Details of entities over which control has been gained or lost
Part 8	Details of associates and joint venture entities
Part 9	Information on audit or review

Part 4 – Commentary on Results

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2017	**2016**
Net tangible asset backing per ordinary security	0.53 cents	0.52 cents

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	**N/A**
Date control gained	**N/A**
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	**N/A**
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	**N/A**
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	**N/A**

Name of entity (or group of entities) lost	**N/A**
Date control lost	**N/A**
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	**N/A**
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	**N/A**
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	**N/A**

Part 8 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2017 %	2016 %	2017 $A’000	2016 $A’000
Name of entity	**N/A**	**N/A**	**N/A**	**N/A**
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

Attachments Forming Part of Appendix 4D

Attachment No.	**Details**
1	Interim Financial Report

Signed by Company Secretary

Ian Hobson

Dated: 23 February 2018

PainChek Limited

ABN 21 146 035 127

(Formerly ePAT Technologies Limited)

Half year report for the half-year ended

31 December 2017

Corporate directory

Board of Directors

Mr John Murray	Non-Executive Chairman
Mr Philip Daffas	Managing Director
Mr Adam Davey	Non-Executive Director
Mr Ross Harricks	Non-Executive Director

Company Secretary
Mr Ian Hobson

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Website: www.paincheck.com

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Share Registry
Boardroom Pty Ltd
Grosvenor Place
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Stock Exchange
Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code
PCK

Half year report for the half-year ended 31 December 2017

Contents

Directors' report

The directors of PainChek Limited (formerly ePAT Technologies Limited) ("PainChek" or "the Company") submit herewith the financial report of the Company and its subsidiary ("Group" or "Consolidated Entity") for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are noted below. Directors were in office for the entire period unless otherwise stated:

Mr John Murray
Mr Philip Daffas
Mr Ross Harricks
Mr Adam Davey

Operating results

During the half year the Group continued the commercialisation and development of the PainChek App and reported a loss from operations of $3,417,535 (31 December 2016: $6,977,675) principally due to:

- Expensing license acquisition and fees of $1,709,510 (non-cash $1,312,500) (31 December 2016: $Nil);
- Research and development expenditure of $834,152 (31 December 2016: $223,622);
- Corporate restructure cost (non-cash) of $Nil (31 December 2016: $4,574,424);
- Share based payments in respect of options issued to Directors and management of $281,250 (non-cash) (31 December 2016: $1,728,066); and
- Corporate and administration expenses of $458,926 (31 December 2016: $476,673).

Review of operations

A number of key milestones were achieved during the half year that has resulted in the commercial launch of PainChek™ - the world's first regulated medical device App that uses artificial intelligence to assess pain for people who cannot verbalize. The following is a summary of these achievements.

Technology License Agreements:

In early July 2017 the Company acquired a global, perpetual, exclusive license for use of the nViso artificial intelligence (AI) technology for pain assessment. This license provides PainChek with a perpetual access to nViso's market leading facial recognition technology in the field of pain assessment and the ability to fast track new developments working with nViso and our newly contracted software development team and data scientists. In the process nViso took an equity stake and became a shareholder in PainChek. In this new license agreement there are no royalty payments to nViso on future sales revenues.

Regulatory:

In July 2017 we also received regulatory clearance for PainChek™ as a Class 1 Medical Device in Australia (TGA) and Europe (CE Mark).

Product Development and Market Introduction:

In August 2017 we finalized our first commercial agreement with Dementia Services Australia (DSA). This agreement is designed to help fast track the market awareness and take up of PainChek™ with the carers of people with dementia in Australia. The collaboration with DSA has made positive progress over the past quarter in Western Australian and South Australia. The Australia wide roll out will commence in Q1 2018 with the availability of the Android version and planned integration of PainChek™ into their backend system to provide automated documentation and remove any double handling of data.

The PainChek™ iOS App – Enterprise version - was successfully launched at the National Alzheimer's conference in Melbourne during October and we are building strong engagement with the Residential Aged Care (RAC) community in Australia. Two new customers have since purchased licenses for their facilities, and the company now has a strong pipeline of potential RAC clients of varying sizes. The commercial model and business experience being built in Australia now and through 2018 will provide a solid basis for future international market expansion.
In parallel we continue to build additional technologies to support the market expansion:

- We have completed the development of the PainChek™ Android version which expands our Australia and New Zealand market opportunity to 80% of the RAC market and 99% of the global consumer smart phone/device market. The Android version is now in beta testing and projected for Enterprise market launch during Q1 2018.
- The first children's App development remains on schedule for Q4 2018. During the past quarter we collected the 0-1 years baby pain images and commenced the model development.
- We have commenced discussions with one of the leading Australian Residential Aged Care third party care management systems for integration of PainChek™ with their platform.

People and capability build:
The positive response from our RAC target customer base during 2017, led to the recruitment of a Head of Business Development for the Australia and New Zealand markets. David Allsopp was appointed in December 2017 and commenced with PainChek Ltd on January 22nd, 2018.

David adds a new set of skills to the small but highly effective PainChek Ltd team. We now have a good balance of the global healthcare, business strategy, commercial, technology and clinical/regulatory capabilities required to be successful in this market. We plan to add more capability in the areas of clinical and technical to support our commercialisation drive during 2018.

Processes:
FDA: We have engaged with the FDA for US regulatory approval and are awaiting feedback on regulatory classification for the PainChek™ App. We have designed the PainChek™ App taking into consideration the US geriatric pain assessment guidelines and are confident we can obtain FDA approval by the end of 2018.

Company name change and product branding: We received shareholder approval to change the company name to PainChek Ltd during the quarter and it was effective on the ASX on January 22nd.The PainChek™ name and logo has been trademarked in international markets and the new product branding will drive positive brand awareness and consistency of message as we enter international markets.

Clinical Publications: The clinical team's work in confirming PainChek™ validity and accuracy has now been recognised and published in two highly acclaimed peer review journals. The team also were accepted to present on their PainChek™ study during the scientific sessions at the Alzheimer's conference in Melbourne. These papers and presentations provide the solid basis for medical device acceptance within the healthcare community.

Capital Raising:
As a pre-revenue company, your Board also took the opportunity of favourable capital market conditions in September 2017 to complete a secondary placement, raising $3.75 million. This decision was made partially due to the cash payments and related costs required for the exclusive nViso agreement, but also to provide certainty of funding for increased commercialization activity during 2018 including recruitment, sales & marketing expenditure and further product development. It also enables us to introduce our technology into global markets. We have significant market opportunities ahead of us, and must continue to build our capability to execute on our plans to develop profitable revenue streams.

Summary:

We enter 2018 with a solid platform built over the past year: a first enterprise product, peer reviewed clinical publications, regulatory approvals, a balanced team and most importantly strong local customer engagement that has led to early sales.

We are now focusing on building the commercial model in Australia and delivering a high level of customer satisfaction in the process. This will provide the basis for successful domestic and international expansion.

Subsequent events

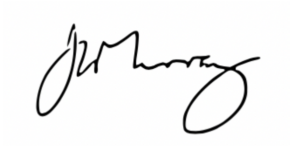
There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



John Murray
Chairman
23 February 2018
Sydney, NSW

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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF PAINCHEK LIMITED

As lead auditor for the review of PainChek Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PainChek Limited and the entities it controlled during the period.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 23 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PainChek Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PainChek Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

C R Jenkins
Director

Brisbane, 23 February 2018

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position at 31 December 2017 and performance of the Consolidated Entity for the period ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

John Murray
Chairman
23 February 2018
Sydney, NSW

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017

	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Continuing operations			
Revenue	3	27,481	5,061
Other income	4	-	20,049
License expenses	5	(1,709,510)	-
Research and development expenses	6	(834,152)	(223,622)
Corporate administration expenses		(458,926)	(476,673)
Sales and marketing expenses		(161,177)	-
Corporate restructure expenses		-	(4,574,424)
Share based payment expenses		(281,250)	(1,728,066)
Loss before income tax		**(3,417,535)**	**(6,977,675)**
Income tax benefit		-	-
Loss for the period attributable to Owners of PainChek Limited		**(3,417,535)**	**(6,977,675)**
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		**(3,417,535)**	**(6,977,675)**
Loss and total comprehensive loss attributable to:			
Owners of PainChek Limited		**(3,417,535)**	**(6,977,675)**
Loss per share:			
Basic and diluted (cents per share)	7	(0.4)	(1.91)

Condensed notes to the financial statements are included on pages 12 to 18.

Consolidated statement of financial position as at 31 December 2017

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 June 2017 $
Current assets			
Cash and cash equivalents		4,693,576	2,630,019
Trade and other receivables		77,411	57,233
Total current assets		**4,770,987**	**2,687,252**
Non-current assets			
Property, plant and equipment		2,091	2,544
Total non-current assets		**2,091**	**2,544**
Total assets		**4,773,078**	**2,689,796**
Current liabilities			
Trade and other payables		344,245	191,503
Provisions		15,055	15,729
Total current liabilities		**359,300**	**207,233**
Total liabilities		**359,300**	**207,233**
Net assets		**4,413,778**	**2,482,563**
Equity			
Issued capital	8	13,570,033	8,502,533
Reserves	9	3,024,092	2,742,842
Accumulated losses		(12,180,347)	(8,762,812)
Total equity		**4,413,778**	**2,482,563**

Condensed notes to the financial statements are included on pages 12 to 18.

Consolidated statement of changes in equity for the half-year ended 31 December 2017

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2016	**357,143**	**-**	**(289,010)**	**68,133**
Loss for the period	-	-	(6,977,675)	(6,977,675)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period			**(6,977,675)**	**(6,977,675)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (*refer to note 8*)	9,224,069	-	-	9,224,069
Share issue costs (*refer to note 8*)	(1,078,679)	-	-	(1,078,679)
Recognition of share based payments	-	2,250,066	-	2,250,066
Balance at 31 December 2016	**8,502,533**	**2,250,066**	**(7,266,685)**	**3,485,914**
Balance at 1 July 2017	**8,502,533**	**2,742,842**	**(8,762,812)**	**2,482,563**
Loss for the period	-	-	(3,417,535)	(1,711,956)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**(3,417,535)**	**(3,417,535)**
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (*refer to note 8*)	5,062,500	-	-	5,062,500
Share issue costs (*refer to note 8*)	(225,000)	-	-	(225,000)
Issue of shares on conversion of options	230,000	-	-	230,000
Recognition of share based payments	-	281,250	-	281,250
Balance at 31 December 2017	**13,570,033**	**3,024,092**	**(12,180,347)**	**4,413,778**

Condensed notes to the financial statements are included on pages 12 to 18.

Consolidated statement of cash flows for the half-year ended 31 December 2017

	Note	Consolidated Half-year ended 31 Dec 2017 $	31 Dec 2016 $
Cash flows from operating activities			
Receipts from customers		14,940	-
Payments to suppliers and employees		(1,718,600)	(679,471)
Interest received		14,210	5,061
Rebates and grants received		-	20,049
Net cash used in operating activities		**(1,689,450)**	**(654,361)**
Cash flows from investing activities			
Cash from acquisition of subsidiary	10	-	18,243
Payments for property, plant and equipment		(1,993)	
Net cash used in investing activities		**(1,993)**	**18,243**
Cash flows from financing activities			
Proceeds from issue of shares		3,980,000	4,732,500
(Payment) of share issue costs		(225,000)	(617,951)
Net cash provided by financing activities		**3,755,000**	**4,114,549**
Net increase in cash and cash equivalents		**2,063,557**	**3,478,431**
Cash and cash equivalents at the beginning of the period		2,630,019	75,079
Cash and cash equivalents at the end of the period		**4,693,576**	**3,553,510**

Condensed notes to the financial statements are included on pages 12 to 18.

Condensed notes to the financial statements for the half-year ended 31 December 2017

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Group for the year ended 30 June 2017 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 23 February 2018.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The fair value of financial assets and financial liabilities approximate their carrying values due to their short-term nature. The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared to the most recent annual financial statements. There have been no new accounting policies adopted for the fist time other than:

(a) Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

License fees are recognised over the term of the contract. Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Consolidated Entity do not have any material impact on the disclosures or the amounts recognised in the Consolidated Entity's financial statements.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB 8 “Operating Segments’” states that similar operating segments can be aggregated to form one reportable segment. Following the acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd the Group aggregated all its reporting segments into one reportable operating segment. Prior to that, the Company operated as a corporate shell having ceased its previous exploration activities in the prior period.

3. Revenue

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
Interest income	14,581	5,061
Sales revenue	12,900	-
Total revenue	**27,481**	**5,061**

4. Other income

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
Rebates	-	49
Grants	-	20,000
Total Other Income	**-**	**20,049**

5. License expenses

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
License acquired*	1,705,000	-
License fee paid	4,510	-
Total license expenses	**1,709,510**	**-**

*In early July 2017 the Company acquired a global, perpetual, exclusive license for use of the nViso artificial intelligence (AI) technology for pain assessment. The acquisition cost is made up of:

Cash:	$392,500
Shares in PainCheck Ltd (31,250,000 shares @ $0.042 per share):	$1,312,500
Total acquisition cost:	**$1,705,000**

6. Research and development expenses

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
App development	441,091	98,967
Validation and implementation	251,647	109,155
Salaries and on costs	141,414	-
Total license expenses	**834,152**	**223,622**

7. Loss per share

	Consolidated

	31 Dec 2017	31 Dec 2016
Basic and diluted loss per share (cents per share)	**(0.4)**	**(1.91)**

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	Consolidated	
	31 Dec 2017	**31 Dec 2016**
	$	$
Loss for the half-year attributable to the owners of the Company	**(3,417,535)**	**(6,977,675)**

	Consolidated	
	31 Dec 2017	**31 Dec 2016**
	No.	No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**768,695,206**	**365,121,486**

Options on issue are considered to be anti-dilutive while the entity is making losses.

8. Issued capital

	Consolidated	
	31 Dec 2017	**30 June 2017**
	$	$
Fully paid Ordinary shares	**13,570,033**	**8,502,533**

	Consolidated			
	31 December 2017		**30 June 2017**	
	No.	**$**	**No.**	**$**
Balance at beginning of the reporting period	674,423,049	8,502,533	1,000,001	357,143
Merger of PainChek Ltd and Electronic Pain Assessment Technologies (EPAT) Pty Ltd	-	-	-	-
Elimination of existing Electronic Pain Assessment Technologies (EPAT) Pty Ltd shares	-	-	(1,000,001)	-
Existing PainChek Limited shares on acquisition	-	-	222,103,433	4,442,069
Issue of PainChek Ltd shares on acquisition[1]	38,461,538	-	213,219,616	-
Issued pursuant to capital raising[2]	75,000,000	3,750,000	236,625,000	4,732,500
Issued for part consideration of nViso licence[3]	31,250,000	1,312,500	-	-
Issued on conversion of options[4]	11,500,000	230,000	-	-
Issued in lieu of remuneration	-	-	2,475,000	49,500
Capital raising costs	-	(225,000)	-	(1,078,679)
Balance at end of period	**830,634,587**	**13,570,033**	**674,423,049**	**8,502,533**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

1. Deferred consideration shares issued on achieving milestone, being $1,000,000 worth of shares at $0.026 per share. See note 10.

2. Placement to sophisticated investors on 20 September 2017 at $0.05 per share to raise $3,750,000.
3. Acquisition on nViso license, see note 5.
4. Shares issued on conversion of options at an exercise price of $0.02 per share.

9. Reserves

	Consolidated	
Option reserve:	31 Dec 2017	30 June 2017
	$	$
Balance at beginning of the reporting period	2,742,842	-
Issue of 45,000,000 Underwriter options	-	522,000
Issue of 90,198,155 Director options	240,882	2,201,975
Issue of 5,000,000 employee options	40,368	18,867
Total reserves at end of period	**3,024,092**	**2,742,842**

Option movement during the period:

Options	Consolidated			
	31-Dec-17		30-June-17	
	No.	$	No.	$
Balance at beginning of the reporting period	197,093,302	2,742,842	-	-
Existing PainChek Ltd options on acquisition	-	-	50,535,179	-
Expiry of existing options during period	(3,428,572)	-	(46,137,032)	-
Issue of options on conversion of convertible notes	-	-	52,500,000	-
Issue of options to underwriters	-	-	45,000,000	522,000
Issue of director options	-	240,882	90,198,155	2,201,975
Issue of employee options	-	40,368	5,000,000	18,867
Exercise of options	(11,500,000)	-	-	-
Balance at end of period	**182,164,730**	**3,024,092**	**197,096,302**	**2,742,842**

10. Commitments and contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

11. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.