Into the clinic

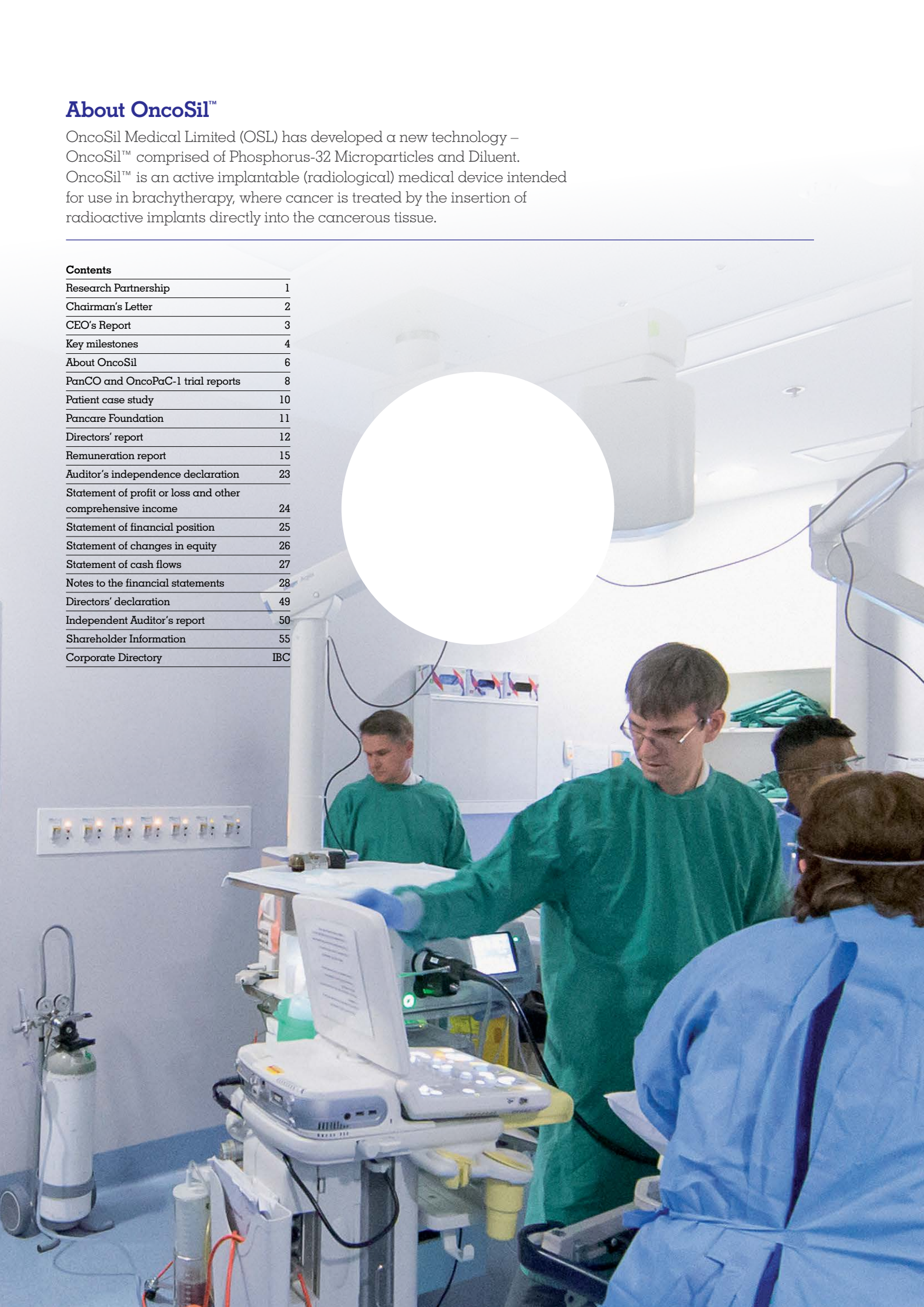
OncoSil Medical

Annual Report 2018

About OncoSil™

OncoSil Medical Limited (OSL) has developed a new technology – OncoSil™ comprised of Phosphorus-32 Microparticles and Diluent. OncoSil™ is an active implantable (radiological) medical device intended for use in brachytherapy, where cancer is treated by the insertion of radioactive implants directly into the cancerous tissue.

Contents



oncosil MEDICAL

GOLD STANDARD RESEARCH PARTNERSHIP

16 leading cancer centres participating in Global Pancreatic Cancer clinical programme

United States of America

- MD Anderson, Texas
- Johns Hopkins, Maryland
- Moffit Cancer Center Florida
- Cedars Sinai Hospital, LA

United Kingdom

- Guys & St Thomas' NHS Foundation Trust, London
- Imperial College Healthcare NHS Trust – Hammersmith Hospital, London
- Addenbrookes Hospital, Cambridge University Hospitals NHS Foundation Trust
- University Hospitals of Leicester (UHL) NHS Trust, Leicester

Australia

- Monash Medical Centre, Melbourne
- St Vincent's Hospital, Sydney
- Westmead Hospital, Sydney
- Royal Adelaide Hospital, Adelaide
- Southern Medical Day Care Centre, Wollongong NSW
- Royal North Shore Hospital, Sydney
- Austin Health, Melbourne

Europe

- Jules Bordet Institute, Brussels

Chairman's Letter

Dear Shareholder,

On behalf of the OncoSil Medical Board, I am pleased to present our 2017-2018 Annual Report to you.

We have made significant progress as a company over the last twelve months, with a focus on advancing our global pancreatic cancer study. Data produced from the study has been highly encouraging thus far, and in July, we were pleased to announce that recruitment for our PanCO study, running across sites in Australia, the UK and Belgium, has now closed following the enrolment of our 50th patient.

In addition to continued momentum with patient recruitment and the generation of positive data, it is also pleasing to report that to date the overall safety profile for the OncoSil™ device has been very reassuring with confirmation of the safety and feasibility of the implantation procedure.

Among the many positive outcomes of our global study to date, we are incredibly proud to have now had 6 patients, from the first 20 enrolled, undergo surgical resection of their tumours. This is an important clinical achievement in the treatment of pancreatic cancer, and demonstrates the potential of our device, in combination with chemotherapy, to take patients from an inoperable to operable state.

We have many exciting milestones to look forward to in the year ahead as we work toward commercialisation of the OncoSil™ device, and I am certain our management team will continue to deliver further clinical and operational successes. On behalf of the Board, I would like to thank our Chief Executive Officer, Daniel Kenny, and the entire OncoSil Medical team for their contributions throughout the year.

Once again, I would like to thank our shareholders for their continued support, and also extend my appreciation to the many dedicated practitioners and patients who have been involved in our global study this past year.

I look forward to the successes of the upcoming year, and continuing to make a difference through our important mission of transforming the prognosis with pancreatic cancer.

Sincerely,

Dr Chris Roberts, AO
Chairman, OncoSil Medical

CEO's Report

OncoSil Medical has made strong progress during this past year, with our primary focus being the advancement of the company's Global Pancreatic Clinical Study Programme in order to generate and submit the required supplemental performance and safety data necessary to support our CE Mark application and future commercialisation of the OncoSil™ device.

In addition to advancing our global study, our team achieved several other important milestones during the year, and I am proud of their commitment to the important work we are doing in the area of pancreatic cancer which is a target of significant unmet medical need.

Clinical advancement

In July 2018, OncoSil successfully completed patient recruitment for its PanCO study across all participating sites in Australia, UK and Belgium – with 50 patients now enrolled. Of these 50 patients, 42 have been successfully implanted with the OncoSil™ device, and 6 have successfully undergone surgical resection with curative intent following re-staging of their tumours.

Surgical resections are an important clinical milestone for our company, demonstrating the potential of the OncoSil™ device, in combination with chemotherapy, to take patients from an inoperable to operable state. Furthermore, data from the PanCO study had shown excellent disease control at weeks 8 and 16, and so far 9 patients have achieved a Partial Response to treatment, which is defined as a reduction in a tumour's diameter of at least 30% from baseline assessment.

In addition to positive performance data, the device has demonstrated a reassuring safety profile. Delivery of the device into patients via Endoscopic Ultrasound (EUS) continues to be straightforward for doctors performing the procedure.

While the PanCO study is now closed for recruitment, we continue to enrol patients in our OncoPaC-1 study which is running across activated trial sites in the US. Currently the study has 7 patients enrolled, with 7 successful implants carried out and we look forward to further progressing the study over the next 12 months.

Regulatory progress

In May 2018, OncoSil Medical was pleased to submit a detailed clinical report to the British Standards Institute (BSI), the regulatory body overseeing OncoSil Medical's CE Mark application, outlined data relating to both the device and the implantation procedure for all study participants enrolled at that date (N=46), as well as performance data for 25 patients who have been implanted with the OncoSil™ device and had reached the 8 and 16 week Radiological (CT) assessments by that time.

BSI is currently undertaking the detailed review necessary for granting the CE Mark, and we look forward to updating shareholders on the device's regulatory status in due course.

Financial position

In March 2018, OncoSil Medical completed an oversubscribed institutional placement supported by both major existing shareholders, plus several new institutional investors raising ~$12.7 million. The company also completed a Share Purchase Plan in April 2018 with existing shareholders to raise an additional $4.0 million. The net cash outflow from operations for the year was $8.4m, resulting in a cash balance as at 30 June of $15.2 million. We thank our shareholders for their continued support and investment in OncoSil Medical.

I look forward to building on our success to date throughout the year ahead, as we work toward commercialising our device and improving patient outcomes in the area of pancreatic cancer.

Sincerely,

D. Kenny

Daniel Kenny

Chief Executive Officer,
OncoSil Medical

Key milestones

2018 has been a year of significant achievement for OncoSil Medical, particularly in the progression of the company's Global Clinical Study Programme and quality of data generated from use of the OncoSil™ device.

JULY '17

- 10 patients enrolled, and 5 patients implanted in PanCO study (Australia, UK and Belgium)

AUGUST '17

- First UK patient recruited at The University of Leicester

SEPTEMBER '17

- 20 patients enrolled, and 10 patients implanted in PanCO study

MARCH '18

- 2 patients in PanCO study successfully undergo surgical resection with curative intent
- Completion of successful capital raising on the back of strong clinical data and progress in global study

APRIL '18

- First US patient implanted in OncoPaC-1 study
- First Belgian patient implanted in PanCO study
- 40 patients enrolled globally, and 30 successfully implanted
- Presentation of PanCO study data at Congress of the World Federation of Nuclear Medicine and Biology in Melbourne

MAY '18

- Submission of detailed clinical report outlining performance and safety data to the British Standards Institute (BSI), the regulatory body overseeing the company's CE Mark application

OCTOBER '17

- 30 patients enrolled, and 15 patients implanted in PanCO study
- Positive early results from PanCO study presented at European Association of Nuclear Medicine (EANM) Congress in Vienna

JANUARY '18

- 20 patients implanted in PanCO study

FEBRUARY 8TH '18

- First patient enrolled in OncoPaC-1 study (US)

JUNE '18

- Presentation of PanCO data at Digestive Disease Week in Washington DC, and ESMO World Congress on Gastrointestinal Cancer in Barcelona

JULY '18

- 50 patients enrolled in PanCO study, and 40 patients successfully implanted
- 6 patients with successful surgical resection procedures completed

AUGUST '18

- 7 patients enrolled, and 7 patients successfully implanted in OncoPaC-1 study (US)

About OncoSil

A dedicated team working to make a difference in the treatment of pancreatic cancer

About our team

The team at OncoSil Medical is made up of individuals who are dedicated to making a difference in the treatment of pancreatic cancer. Their backgrounds include extensive clinical, commercial, regulatory and pharmaceutical experience, and each is committed to the company's mission of transforming the prognosis of pancreatic cancer. Members of our management team, as well as Board of Directors, bring the right composition of skills to deliver on the milestones ahead as we commercialise our unique technology.

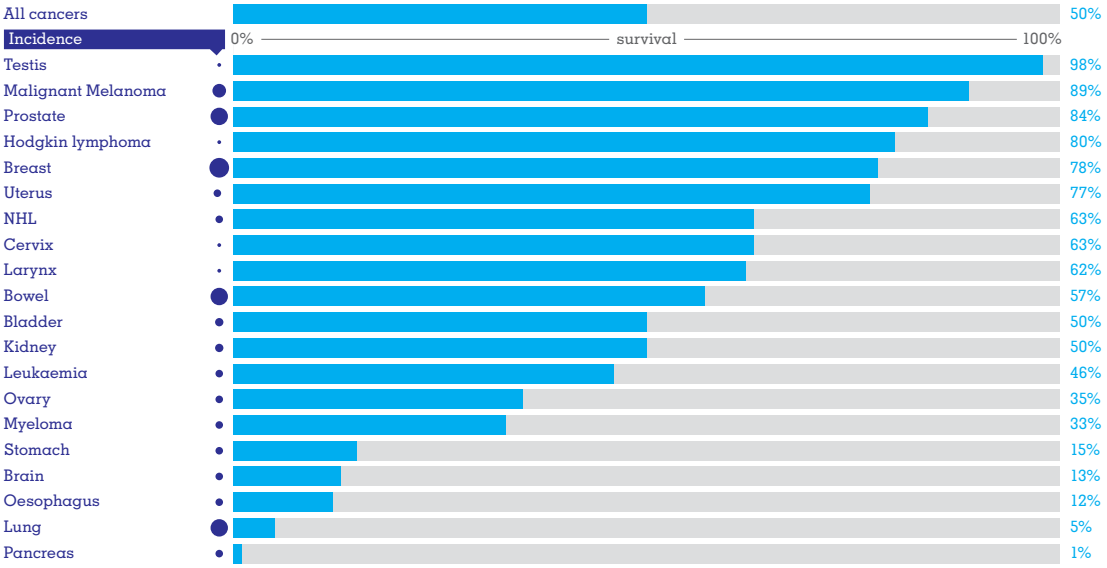
About the pancreas and pancreatic cancer

The pancreas is a large gland that lies behind the stomach in the back of the abdomen, and has two important functions: production of enzymes to help break down food so the body can absorb nutrients, and production of hormones, the most important of which is insulin. Pancreatic cancer occurs when abnormal cells in the pancreas grow out of control, with symptoms varying according to the tumour type and location.

Unfortunately symptoms are often difficult to detect in the early stages of the disease, often allowing for the growth of tumours over time without detection. Across the markets of OncoSil Medical's intended regulatory approvals there are on average 79,000 new cases of pancreatic cancer in the EU each year, 42,000 in the US, and 3,350 in Australia. Treatment options remain limited for patients, and the disease currently has an average survival rate of just 5% beyond 5 years post diagnosis, making our goal of delivering targeted therapy directly to tumours incredibly important.

Performance and safety data from the OncoSil™ device to date in the recent PanCO trial has been highly encouraging…

Age-Standerdised Ten-Year Net Survival, Selected Cancers, Adults (Aged 15-99) England and Wales, 2010-2011



About the OncoSil™ device

OncoSil™ is a single-use brachytherapy device for the treatment of pancreatic cancer intended for patients who are unable to undergo surgery to remove their tumours due to either tumour size or location in the pancreas. Surgical removal of a patient's tumour is currently the most effective way to treat pancreatic cancer.

The OncoSil™ device is made with Microparticles that are a combination of silica and radioactive phosphorus, which are injected directly into a pancreatic tumour.

Once injected, radiation from the Microparticles causes damage to cancer cell DNA, and stays active for approximately 90 days before decaying into an inactive form which remains in the tumour but causes no harm to the patient. Implantation of the device is straightforward, involving an endoscope which is guided into the upper intestine. Using real time imaging, a needle is guided through the endoscope to the tumour and the OncoSil™ is injected directly into the cancer. The procedure typically takes less than 30 minutes.

The device is used in combination with chemotherapy, and aims to provide local tumour control to reduce risk of serious complications and symptoms and may be able to convert certain patients to operability to provide a potentially curative option. Performance and safety data from the OncoSil™ device to date in the recent PanCO trial has been highly encouraging, and we remain confident in its potential to make a meaningful difference in improving patients' quality of life and tumour response health.

PanCO and OncoPaC-1 trial reports

OncoSil Medical made significant progress during 2018 with the PanCO study, which is evaluating use of the OncoSil™ device in patients with inoperable locally advanced pancreatic cancer.

PanCO trial

The PanCO study is currently running at sites in Australia, the UK and Belgium, and in July 2018, closed recruitment globally following the successful enrolment of 50 patients per study protocol.

Interim performance and safety data from the study has shown excellent local disease control, substantial reductions in tumour size and volume, as well as a strong safety profile for the OncoSil™ device. Furthermore, implantations carried out via Endoscopic Ultrasound (EUS) have been considered straightforward. Data from the study is summarized opposite in the PanCO Study Results table.

Amongst the multiple positive data outcomes generated to date in the PanCO study, a key highlight is the number of patients who have now undergone surgery on their tumours as a potential cure for their disease. From the first 20 patients implanted in the study, 6 have undergone surgery to remove their primary pancreatic tumour. Of these 6 patients, 5 have achieved an 'R0' resection rate, the 'gold standard' for removing tumours, ensuring no cancer cells are evident at the surgical margin.

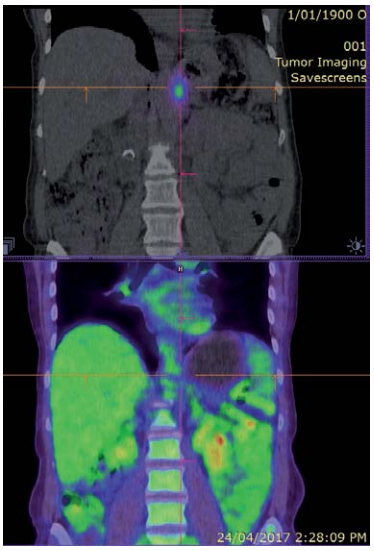
Down-staging these tumours represents an important clinical milestone and demonstrates the potential of the OncoSil™ device, in combination with chemotherapy, to take patients from an inoperable to operable state.

In May, OncoSil Medical submitted a detailed clinical report to the British Standards Institute (BSI), fulfilling the Regulatory Body's request to provide supplemental data from an additional 20 patients to support the review process for CE Mark approval of the OncoSil™ device. The report provided to BSI sets out comprehensive safety data relating to both the device and the implantation procedure for all study participants enrolled at that date (N=46), as well as tumour response data for 25 patients who have been implanted with the OncoSil™ device and had reached the 8 and 16 week Radiological (CT) assessments. OncoSil Medical looks forward to updating shareholders on the status of CE Mark approval in due course.

OncoPaC-1 trial

In addition to the PanCO study running at sites in Australia, the UK and Belgium, OncoSil Medical continues to make progress with its OncoPaC-1 study in the US which remains open for recruitment across all activated trial sites.

The first US patient was implanted in April 2018. To date, 7 patients have been enrolled, and 7 have undergone successful implants with the OncoSil™ device. In addition to MD Anderson, other prestigious cancer centers involved in this study include the Moffitt Cancer Center in Florida, Cedars Sinai Hospital in Los Angeles, and Johns Hopkins Hospital in Baltimore.



Nuclear medicine scan

Amongst the multiple positive data outcomes generated to date in the PanCO study, a key highlight is the number of patients who have now undergone surgery on their tumours as a potential cure for their disease.

PanCO Study Results

PanCO study – positive results to date

Positive clinical data on 35 patients (at Week 8) and 30 patients (at Week 16)

Performance:

- Disease Control Rate (DCR) of 100% (Week 8) and 87% (Week 16)
- 9 implanted patients so far have achieved a Partial Response – > defined as a reduction in tumour longest diameter of at least 30% from baseline
- 6 implanted patients so far have undergone Surgical Resection – > resection is the only potential cure for pancreatic cancer
- Up to 73% and 80% tumour volumetric reduction at Week 8 and 16 respectively
- Median volumetric reduction of 25% at week 8) and 33% (at week 16)

Safety:

- Well tolerated and reassuring safety profile confirmed by independent Safety Review Committee
- OncoSil™ device delivery via EUS considered straightforward for implantation

Publications at Scientific Conferences

Data from the PanCO study has been presented by OncoSil Medical at a number of high profile scientific conferences in Australia and internationally throughout the year.

These presentations have been well received by specialist cancer oncologists and surgeons globally, continuing to build awareness around the company's technology and its potential to transform the prognosis with pancreatic cancer.

Conferences presented at include:

- European Association of Nuclear Medicine Annual Congress in Vienna (October 2017)
- Congress of the World Federation of Nuclear Medicine and Biology in Melbourne (April 2018)
- Digestive Disease Week in Washington DC (June 2018)
- ESMO World Congress on Gastrointestinal Cancer in Barcelona (June 2018)

Patient case study

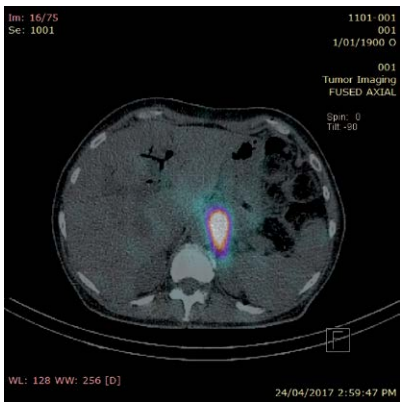
Pancreatic cancer is difficult to detect in its early stages as there are few symptoms, often allowing spread of disease over time without detection.

When diagnosed early, surgical resection offers the best chance for long term control of pancreatic cancer, yet most patients are diagnosed at later stages, and are not eligible for surgery due to either the size of their tumour or its location in relation to the pancreas.

The OncoSil™ device is addressing this problem, in combination with chemotherapy, by working to downgrade, or shrink, a patient's tumour to a size where it can be operated on to control and potentially cure the disease.

During the past year OncoSil Medical achieved successful surgical resection outcomes in six patients who are participating in the company's PanCO study. This includes a 66 year old woman from Wollongong, New South Wales, who was initially unable to undergo surgery, but following combination treatment with chemotherapy and OncoSil™, was able to have her pancreatic tumour surgically removed followed by further chemotherapy treatment to control the disease

The patient was diagnosed with locally advanced inoperable pancreatic cancer in August 2017 after experiencing stomach and back pains, then eventually visiting her doctor. Speaking about her decision to participate in the PanCO trial she said, "I was willing to do anything to help my condition, but wanted to know that the OncoSil™ procedure wouldn't be too burdensome on top of also receiving regular chemotherapy. Luckily the implant procedure was straightforward only involving day surgery, and recovery afterward did not take long. I was back to my regular routine in a matter of days rather than months." Following surgery, an analysis of the patient's tumour cells showed a complete pathological response, with evidence of response shown in both her pancreas and lymph nodes.



Localisation of OncoSil in patient

Professor Morteza Aghmesheh

The patient's clinician, Professor Aghmesheh, a Medical Oncologist at Wollongong's Southern Cancer Institute said, "OncoSil™ has a potential role in treating pancreatic cancer, as the majority of cases present at a late stage when the tumour is not able to be surgically operated on. Combining OncoSil™ with chemotherapy has the potential to convert pancreatic cancer that is locally advanced to a state where the patient can undergo surgery, which is the only way to cure the disease. With the prognosis of pancreatic cancer having gone unchanged for decades, we are excited to be participating in the OncoSil Medical trial which hopefully leads to a breakthrough in the treatment of this difficult disease".

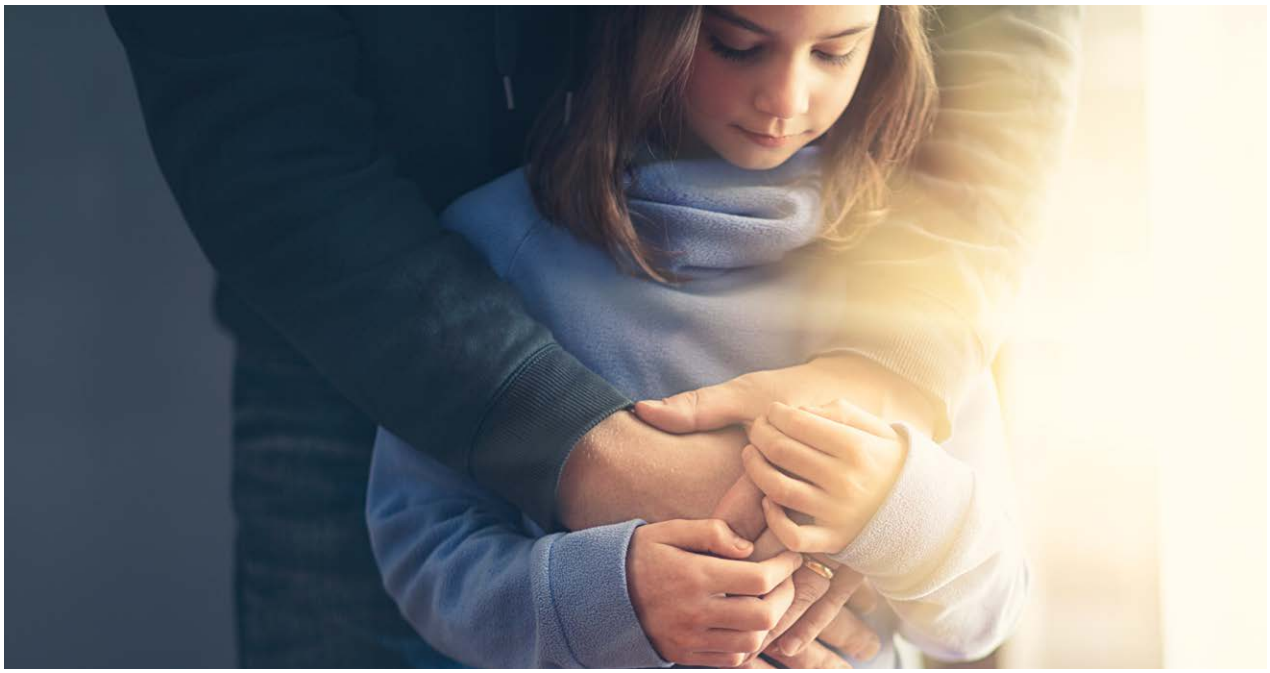
Pancare Foundation

OncoSil Medical strengthens relationship with not-for-profit Pancare Foundation

During the year, OncoSil Medical was proud to have increased its involvement with Australian not-for-profit the Pancare Foundation.

Founded in 2011 by Melbourne based pancreatic surgeon Associate Professor Mehrdad Nikfarjam, Pancare serves as a patient advocacy charity for those affected by pancreatic cancer, working to save and improve lives through public awareness of the disease, research, education as well as by providing direct support. In addition to participating in events throughout the year, OncoSil Medical is also a sponsor of Pancare and its important work within the area of pancreatic cancer. Commenting on the organisation's relationship with OncoSil Medical, Pancare CEO Barry Westhorpe said, "pancreatic cancer statistics have not changed significantly for over 40 years, so we are always looking to engage with companies like OncoSil Medical who are focused on developing a breakthrough treatment for this difficult disease. We appreciate their support, and look forward to building on our relationship into the future."

Pancare founder Dr Mehrdad Nikfarjam also commented, saying "pancreatic cancer remains one of the most challenging to treat due to a lack of early diagnosis methods, and effective treatment options, due to it being highly resistant to standard chemotherapy and radiotherapy. The OncoSil™ device is truly innovative, and I hope it can make a real difference in the lives of patients diagnosed with pancreatic cancer."



Directors' report

OncoSil Medical Ltd
Directors' report
30 June 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of OncoSil Medical Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The following persons were directors of OncoSil Medical Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Chris Roberts AO - Non-Executive Chairman
Mr Daniel Kenny - Chief Executive Officer and Managing Director
Dr Roger Aston - Non-Executive Director
Dr Martin Cross - Non-Executive Director

Information on directors

Name:	Dr Chris Roberts AO
Title:	Non-Executive Chairman
Qualifications:	BE(Hons), MBA, PhD, Hon DSc(Macq), Hon DSc(UNSW), FTSE, FAICD, Hon FIEAust
Experience and expertise:	Dr Roberts AO is a highly experienced director and senior executive with over 41 years' experience in the medical innovation space. He was CEO/President of Cochlear Limited (ASX: COH) from February 2004 to August 2015. He was also Chairman of Sirtex Medical Ltd (ASX: SRX), from March 2000 to December 2002, and was Executive Vice-President of global sleep disorder treatment company ResMed Inc (NYSE: RMD, ASX: RMD) from 1992 to 2004. He is a PLuS Alliance Professor appointed across 3 universities: UNSW, King's College London and Arizona State University. Dr Roberts AO also sits on the boards of a number of other entities and groups including; Clarity Pharmaceuticals Limited, Innovation Science Australia, Biomedical Translation Fund, Jobs for NSW and O'Connell Street Associates.
Other current directorships:	ResMed Inc. (NYSE: RMD, ASX: RMD)
Former directorships (last 3 years):	Cochlear Limited (ASX: COH) (resigned on 31 August 2015)
Special responsibilities:	Member of the Nomination and Remuneration Committee and member of Audit and Risk Committee
Interests in shares:	11,125,000 ordinary shares

Name:	Mr Daniel Kenny
Title:	Chief Executive Officer and Managing Director
Qualifications:	B.Sc Physics (UNSW), MAICD, completed Executive business studies at both INSEAD and London Business School, graduate of the Australian Institute of Physics.
Experience and expertise:	Mr Kenny has over 32 years' experience in the Global Pharmaceutical and Medical Device Industry. He commenced his career undertaking clinical research in the fields of ophthalmology and HIV/AIDS prior to joining the pharmaceutical industry. Mr Kenny's industry career experience extends to FDA and EU product and device registration, clinical development, marketing and sales, in-licensing and business development. Prior to working with OncoSil Medical Ltd, he held senior executive appointments with ABIVAX, Baxter International and Roche.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration and Audit and Risk Committees
Interests in shares:	20,041,667 ordinary shares

Name:	Dr Roger Aston
Title:	Non-Executive Director
Qualifications:	B.Sc (Hons) and Ph.D. (Manchester)
Experience and expertise:	Dr Aston is a scientist and seasoned biotechnology entrepreneur. He has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include US Food and Drug ('FDA') and European Union ('EU') product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors. Dr Aston has also held Directorships/Chairmanships with Clinuvel Ltd, HalcyGen Ltd, and Ascent Pharma Ltd, was a member of the AusIndustry Biological Committee advising the Industry Research and Development Brand. More recently, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group.
Other current directorships:	Chairman of : Regeneus Limited (ASX: RGS), Immuron Limited (ASX: IMC), ResApp Health Limited (ASX: RAP), PharmAust Ltd (ASX: PAA) and its subsidiary Pitney Pharmaceuticals Pty Ltd
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration and Chairman of the Audit and Risk Committees
Interests in shares:	12,516,547 ordinary shares

Name:	Dr Martin Cross
Title:	Non-Executive Director
Qualifications:	B.SC (Hons) and Ph.D. (Aberdeen) FAICD
Experience and expertise:	Dr Cross is a highly regarded pharmaceutical executive with over 31 years' experience including corporate and industry leadership roles directly influencing healthcare policy and government legislation in Australia and global business management, marketing and sales roles. From 2013 to 2015, Dr Cross was Chairman of Medicines Australia, the country's peak body representing the research based pharmaceutical industry in Australia. Prior to leading Medicines Australia, from 2010 to 2013 Dr Cross was Chairman of both the Generics Medicine Industry Association and Pharmaceutical Industry Council. During this time, Dr Cross was also Managing Director of Alphapharm in Australia and New Zealand, with responsibility for 750 employees and sales of over US $500m per annum. From 2003 to 2008, Dr Cross was Country Head and Managing Director of Novartis Australia and New Zealand, and Head of Global Marketing and Sales Capabilities from 2001 to 2003, based in Switzerland.
Other current directorships:	Non-Executive Director Cellmid Limited (ASX:CDY)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Nomination and Remuneration and member of the Audit and Risk Committees
Interests in shares:	1,291,667 ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Tom Milicevic is the Company Secretary.

Mr Milicevic (B.Comm (Western Sydney), FCPA, MBA, MGSM), is an experienced commercial, financial and management accountant with more than 22 years' experience in a career which includes a number of major Australian and international public companies. Prior to joining OncoSil Medical Ltd, he was chief executive officer ('CEO') and chief financial officer ('CFO') of orthopaedic medical device company, Allegra Orthopaedics Limited (ASX: AMT) and successfully led that company through its Initial Public Offering ('IPO') and ASX listing. Mr Milicevic was also CFO for Babcock & Brown Residential Land Partners, an ASX listed fund, where he was the financial lead on the stapled security's $175,000,000 IPO. His previous roles also includes CFO and Company Secretary with an ASX listed oncology biotech, and senior finance and accounting roles with ASX 100 Australian companies.

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2018

Principal activities

The principal activities of the Group during the financial year focused on the development of its lead product candidate, the OncoSil™ localised radiation therapy for the treatment of pancreatic cancer.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to $8,539,542 (30 June 2017: $7,016,079).

OncoSil Medical Limited is an Australian based and ASX listed medical device company focused on localised treatments for patients with pancreatic and liver cancer. OncoSil's lead product, OncoSil™ is a first in class medical device with targeted radioactive isotope (Phosphorous-32), implanted directly into a patient's pancreatic tumors via an endoscopic ultrasound. This treatment, known as brachytherapy, is intended to deliver more concentrated and localized radiation.

Over the past twelve months, the Group's primary focus has been to advance its Global Pancreatic Clinical Study Programme in order to generate and submit the required supplemental safety and performance data necessary for its CE Mark application to market the OncoSil™ device in the European Union.

The Group has been pleased with its progress over FY18, including:

- Submission of a detailed report to BSI, outlining emerging safety and performance data and fulfilling BSI's request to provide 20 patient supplemental data with respect to the Company's CE Mark application;
- Encouraging clinical performance and safety data;
- Successful completion of patient recruitment for the PanCo study;
- Successful completion of oversubscribed institutional placement raising approximately $12.7m and an oversubscribed Share Purchase Plan (SPP), raising approximately $4.0m; and
- Receipt of $3.5m R&D tax incentive refund.

Clinical – progress with patient recruitment and encouraging study data

- In July 2018, OncoSil successfully completed patient recruitment for its PanCO study across all participating sites in Australia, UK and Belgium – with 50 patients now enrolled. Of these 50 patients:
  - 41 patients were successfully implanted with the OncoSil™ device
  - Excellent Local Disease Control Rate (DCR) of 100% (Week 8) and 87% (Week 16)
  - 6 patients have successfully undergone surgical resection with curative intent, demonstrating the potential of the OncoSil™ device, in combination with chemotherapy to take patients from an inoperable to operable state
  - 9 patients have achieved a Partial Response (defined as a reduction in tumour longest diameter of at least 30% from the baseline)
  - Reassuring safety profile, with no evidence of radiation toxicities or other safety concerns
  - OncoSil™ device delivery via Endoscopic Ultrasound (EUS) continues to be considered straightforward for implantation

- The Company's OncoPaC-1 study in the US remains open for recruitment across all activated trial sites, with 7 patients now recruited, and 7 having been successfully implanted with the OncoSil™ device. OncoSil looks forward to further progressing this study over the coming months.

Regulatory – submission of detailed clinical report to BSI

- On 11 May 2018, OncoSil submitted a detailed clinical report to BSI outlining emerging safety and performance data to the British Standards Institute (BSI) – the regulatory body overseeing OncoSil's CE Mark application. This submission fulfilled the BSI's previous request to provide 20 patient supplemental data to support previously submitted safety and clinical performance data.
- BSI is currently undertaking the detailed review necessary for granting the CE Mark as is required by the relevant EU laws and regulations. As the OncoSil™ device is an implanted radioactive medical device, BSI requires time to undertake the necessary due diligence of the detailed report submitted by the Company.
- The report provided to BSI sets out comprehensive safety data relating to both the device and the implantation procedure for all study participants enrolled at that date (N=46), as well as performance data for 25 patients who have been implanted with the OncoSil™ device and had reached the 8 and 16 weeks Radiological (CT) assessments.

Remuneration report

OncoSil Medical Ltd
Directors' report
30 June 2018

Corporate – successful oversubscribed capital raising and additional R&D tax refund

- On 22 March 2018, the Company successfully completed an oversubscribed institutional placement. The placement was well supported by both major existing shareholders and a number of new institutional investors and raised ~$12.7 million at an issue price of $0.12.
- The Company also successfully completed its Share Purchase Plan (SPP) on 18 April 2018, which closed oversubscribed, with SPP applications materially exceeding the aggregate capped amount of $4.0 million.
- The Company also received an additional cash refund of $0.6 million in January 2018 following lodgment of the 2016/17 amended tax return. The cash rebate related to the expenditure on eligible overseas R&D activities conducted during the 2016/17 financial year. This cash refund is in addition to the $2.9m R&D refund announced on 25 September 2017.

Future developments and results

The Board looks forward to the Company's continued progression over the next 12 months, and to progressing its plans to commercialise the breakthrough OncoSil™ treatment.

The Board also continues to review and invest in its current assets and continues to monitor expenditure very closely.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Our continued progress towards achieving a CE Mark for our OncoSil™ device to enable future commercial sales in the European Union as well as the Global Pivotal OncPac-1 Clinical Study, aimed at supporting a Pre Marketing application in the United States in future years. There can be no guarantees that in the future we will achieve these regulatory approvals, or on the basis sought by the Company, and there are no guarantees of the rate of enrolment of the OncPac-1 Clinical Study or the outcome of clinical results including for the first 20 patient run-in in the Study. Manufacturing capabilities, supply chain and sales and marketing infrastructure will continue to be progressed to support both planned commercial and clinical activities.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dr Chris Roberts AO	8	8	1	1	2	2
Mr Daniel Kenny	8	8	1	1	2	2
Dr Roger Aston	8	8	1	1	2	2
Dr Martin Cross	8	8	1	1	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Remuneration report cont.

OncoSil Medical Ltd
Directors' report
30 June 2018

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure the remuneration package properly reflects each person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee ('NRC') is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The NRC has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board have considered that the reward framework is designed to align to shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- aligning the interests of executives with those of shareholders;
- linking reward with the strategic goals and performance of the Group; and
- ensuring total remuneration is competitive by market standards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors are also entitled to government statutory superannuation guarantee contribution. They may also be granted shares, aligning their interests with those of the shareholders.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 26 November 2015, where the shareholders approved a maximum annual aggregate director's fees payable to non-executive directors of $500,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Structure
Executive directors are contracted to the Group either on a consultancy basis with remuneration and terms stipulated in individual consultancy arrangements or pursuant to an employment contract with remuneration and terms stipulated in individual employment agreements.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the NRC based on individual and business unit performance, the overall performance of the Group and comparable market remuneration.

Executives are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdle of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. In particular, all directors and other KMP may be entitled to annual bonuses payable upon the achievement of annual corporate or profitability measures. The Group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically the incorporation of incentive payments based on achievement of approved targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Limited recourse loans are awarded to executives in order for the executive to subscribe for ordinary shares in the Company under the OncoSil Employee Share Plan. These share will vest upon satisfaction of long-term KPI's as agreed with the executive, measured over terms varying from three to five years. These KPI's include, but are not limited to, an increase in shareholders' value or meeting regulatory and clinical measures. The NRC reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2018.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the NRC. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
During the financial year ended 30 June 2018, the Group, through the Nomination and Remuneration Committee, engaged Godfrey Remuneration Group Pty Ltd, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in the production of a remuneration benchmarking report for the use of the Nomination and Remuneration Committee, and the adjustment of salaries for the executives and non-executive directors by CPI or 2% effective 1 July 2018. In addition the Group will initiate an annual long term incentive equity grant under the existing Employee Loan Share Scheme as part of the executives LTI component of remuneration. Godfrey Remuneration Group Pty Ltd was paid $26,000 for these services.

Remuneration report cont.

OncoSil Medical Ltd
Directors' report
30 June 2018

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not directly communicate with affected key management personnel and that the consultant not provide any information relating to the outcome of the engagement directly with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')
At the 2017 AGM, less than 3% voted against the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The KMP of the Group consisted of the directors of OncoSil Medical Ltd and the following persons:

- Mr Tom Milicevic - Chief Financial Officer and Company Secretary

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2018	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled options $	Equity-settled shares $	Total $
Non-Executive Directors:								
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	208,000	288,000
Dr Roger Aston	73,059	-	-	6,941	-	-	16,996	96,996
Dr Martin Cross	73,059	-	-	6,941	-	-	-	80,000
Executive Directors:								
Mr Daniel Kenny	460,030	193,800	-	30,673	-	-	384,545	1,069,048
Other Key Management Personnel:								
Mr Tom Milicevic	266,696	66,800	-	24,549	-	-	101,250	459,295
	952,844	260,600	-	69,104	-	-	710,791	1,993,339

* The remuneration payments to Dr Chris Roberts were made to his director-related entity, Robertsplan Pty Ltd.

There were no shares granted during the year under the Group's Employee Share Plan and the value above represents the value of the shares amortised during the year under the Limited Recourse Loan for each KMP.

2017	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled options $	Share-based payments: Equity-settled shares $	Total $
Non-Executive Directors:								
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	208,000	288,000
Dr Roger Aston	102,740	-	-	9,760	-	-	31,614	144,114
Dr Martin Cross **	25,571	-	-	2,429	-	-	-	28,000
Mr Martin Rogers ***	26,255	-	-	1,634	-	56,261	229,297	313,447
Executive Directors:								
Mr Daniel Kenny	410,000	143,500	-	38,950	-	-	479,200	1,071,650
Other Key Management Personnel:								
Mr Tom Milicevic	254,300	47,700	-	24,159	-	-	85,029	411,188
	898,866	191,200	-	76,932	-	56,261	1,033,140	2,256,399

* The remuneration payments to Dr Chris Roberts were made to his director-related entity, Robertsplan Pty Ltd.
** Appointed KMP during the financial year.
*** The remuneration payments to Mr Martin Rogers were made to his director-related entity, Structure Investments Pty Ltd, until his resignation as KMP.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2018	Fixed remuneration 2017	At risk - STI 2018	At risk - STI 2017	At risk - LTI 2018	At risk - LTI 2017
Non-Executive Directors:						
Dr Chris Roberts AO	28%	28%	-	-	72%	72%
Dr Roger Aston	82%	78%	-	-	18%	22%
Dr Martin Cross	100%	100%	-	-	-	-
Mr Martin Rogers	-	9%	-	-	-	91%
Executive Directors:						
Mr Daniel Kenny	46%	42%	18%	13%	36%	45%
Other Key Management Personnel:						
Mr Tom Milicevic	63%	67%	15%	12%	22%	21%

Remuneration report cont.

OncoSil Medical Ltd
Directors' report
30 June 2018

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2018	Cash bonus paid/payable 2017	Cash bonus forfeited 2018	Cash bonus forfeited 2017
Executive Directors:				
Mr Daniel Kenny	90%	70%	10%	30%
Other Key Management Personnel:				
Mr Tom Milicevic	100%	75%	-	25%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Daniel Kenny
Title:	Chief Executive Officer and Managing Director
Agreement commenced:	5 January 2015
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2018 of $430,500 plus superannuation, to be reviewed annually by the NRC, six months termination notice by either party, cash bonus up to 50% of salary subject to achievement of KPI's as set by the Board. There is a restraint period of six months ending on the date of termination of employment. He is eligible to participate in the long term incentive plan as approved by shareholders.

Name:	Tom Milicevic
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	22 October 2015
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2018 of $267,100 plus superannuation, to be reviewed annually by the NRC, three months termination notice by either party, cash bonus up to 25% of salary subject to achievement of KPI's as set by the Board. There is a restraint period of six months ending on the date of termination of employment. He is eligible to participate in the long term incentive plan as approved by shareholders.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Employee Share Plan ('ESP')
Certain employees have been issued limited recourse loans to acquire shares in the Company. In accordance with the Accounting Standards, these shares are accounted for in a similar manner as options. There were no shares granted during the current financial year.

Terms and conditions of share based payment arrangements affecting the remuneration of key management personnel in the current financial year:

Name	Number of shares granted	Grant date	Expiry date	Exercise price	Fair value per share at grant date
Mr Daniel Kenny	14,000,000	10/05/2016	10/05/2021	$0.22	$0.104
	3,000,000	28/11/2014	31/12/2019	$0.13	$0.047
Dr Roger Aston	500,000	28/11/2014	31/12/2019	$0.18	$0.056
Dr Chris Roberts AO	10,000,000	10/05/2016	10/05/2021	$0.22	$0.104
Mr Tom Milicevic	5,000,000	13/01/2016	13/01/2019	$0.13	$0.081

There were no options over ordinary shares granted to or vested in directors and other KMP as part of compensation during the year ended 30 June 2018.

Additional information
The earnings of the Group for the five years to 30 June 2018 are summarised below:

	2014 $	2015 $	2016 $	2017 $	2018 $
Revenue/income	619,848	3,028,014	4,141,691	3,755,765	4,592,503
Loss after income tax	(6,864,829)	(2,879,031)	(4,768,598)	(7,016,079)	(8,539,542)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2014	2015	2016	2017	2018
Share price at financial year end ($)	0.10	0.10	0.14	0.10	0.23
Basic earnings per share (cents per share)	(1.40)	(0.81)	(1.23)	(1.49)	(1.66)

Additional disclosures relating to KMP

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dr Roger Aston	13,016,547	-	500,000	(1,000,000)	12,516,547
Mr Daniel Kenny	26,000,000	-	41,667	(6,000,000)	20,041,667
Dr Chris Roberts AO	10,000,000	-	1,125,000	-	11,125,000
Dr Martin Cross	1,000,000	-	291,667	-	1,291,667
Mr Tom Milicevic	5,055,000	-	41,667	-	5,096,667
	55,071,547	-	2,000,001	(7,000,000)	50,071,548

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of OncoSil Medical Ltd under option outstanding at the date of this report.

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2018

Shares issued on the exercise of options
There were no ordinary shares of OncoSil Medical Ltd issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Crowe Horwath Sydney
There are no officers of the Company who are former partners of Crowe Horwath Sydney.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Crowe Horwath Sydney continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Dr Chris Roberts AO
Non-Executive Chairman

22 August 2018
Sydney

Auditor's independence declaration

Crowe Horwath Sydney
ABN 97 895 683 573
Member Crowe Horwath International

Audit and Assurance Services

Level 15 1 O'Connell Street
Sydney NSW 2000
Australia

Tel +61 2 9262 2155
Fax +61 2 9262 2190

www.crowehorwath.com.au

22 August 2018

The Board of Directors
OncoSil Medical Ltd
Suite 402, Level 4
50 Berry Street,
NORTH SYDNEY NSW 2060

Dear Board Members

Re: OncoSil Medical Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of OncoSil Medical Ltd.

As lead audit partner for the audit of the financial report of OncoSil Medical Ltd for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Horwath Sydney

John Haydon
Senior Partner

Statement of profit or loss and other comprehensive income

OncoSil Medical Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue			
Other income	5	4,592,503	3,755,765
Expenses			
Employee benefits expense	6	(4,848,148)	(4,461,551)
Research and development expenses		(5,780,549)	(3,955,876)
Occupancy expenses		(193,189)	(206,265)
Consulting, finance and legal expenses		(1,022,457)	(510,797)
Net foreign exchange loss		(43,632)	(34,183)
Net gain/(loss)on financial assets at fair value through profit or loss		-	166,261
Net gain/(loss) on disposal of assets		713	(94,218)
Share-based payments		(983,442)	(1,389,772)
Other administrative expenses		(261,341)	(285,443)
Loss before income tax expense		(8,539,542)	(7,016,079)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of OncoSil Medical Ltd		(8,539,542)	(7,016,079)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(36,640)	460
Other comprehensive income for the year, net of tax		(36,640)	460
Total comprehensive income for the year attributable to the owners of OncoSil Medical Ltd		(8,576,182)	(7,015,619)
		Cents	**Cents**
Basic earnings per share	25	(1.66)	(1.49)
Diluted earnings per share	25	(1.66)	(1.49)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

OncoSil Medical Ltd
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Assets			
Current assets			
Cash and cash equivalents	8	15,205,216	8,000,618
Trade and other receivables	9	4,482,827	3,529,388
Other assets	10	108,030	159,399
Total current assets		19,796,073	11,689,405
Non-current assets			
Plant and equipment		86,255	115,471
Total non-current assets		86,255	115,471
Total assets		19,882,328	11,804,876
Liabilities			
Current liabilities			
Trade and other payables	11	1,598,899	1,524,275
Employee benefits		128,725	145,792
Total current liabilities		1,727,624	1,670,067
Total liabilities		1,727,624	1,670,067
Net assets		18,154,704	10,134,809
Equity			
Issued capital	12	52,257,231	36,644,596
Reserves	13	4,933,232	3,986,430
Accumulated losses		(39,035,759)	(30,496,217)
Total equity		18,154,704	10,134,809

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

OncoSil Medical Ltd
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016	35,694,596	2,596,198	(23,480,138)	14,810,656
Loss after income tax expense for the year	-	-	(7,016,079)	(7,016,079)
Other comprehensive income for the year, net of tax	-	460	-	460
Total comprehensive income for the year	-	460	(7,016,079)	(7,015,619)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	950,000	-	-	950,000
Share-based payments (note 26)	-	1,389,772	-	1,389,772
Balance at 30 June 2017	36,644,596	3,986,430	(30,496,217)	10,134,809

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	36,644,596	3,986,430	(30,496,217)	10,134,809
Loss after income tax expense for the year	-	-	(8,539,542)	(8,539,542)
Other comprehensive income for the year, net of tax	-	(36,640)	-	(36,640)
Total comprehensive income for the year	-	(36,640)	(8,539,542)	(8,576,182)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	15,612,635	-	-	15,612,635
Share-based payments (note 26)	-	983,442	-	983,442
Balance at 30 June 2018	52,257,231	4,933,232	(39,035,759)	18,154,704

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

OncoSil Medical Ltd
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(11,988,290)	(8,648,615)
Dividends received		-	17,937
Interest received		144,764	223,387
Research and development tax incentive		3,446,185	2,297,446
Net cash used in operating activities	24	(8,397,341)	(6,109,845)
Cash flows from investing activities			
Payments for property, plant and equipment		(10,696)	(52,890)
Proceeds from disposal of listed securities		-	3,433,027
Net cash from/(used in) investing activities		(10,696)	3,380,137
Cash flows from financing activities			
Proceeds from issue of shares	12	16,709,014	950,000
Share issue transaction costs	12	(1,096,379)	-
Net cash from financing activities		15,612,635	950,000
Net increase/(decrease) in cash and cash equivalents		7,204,598	(1,779,708)
Cash and cash equivalents at the beginning of the financial year		8,000,618	9,780,326
Cash and cash equivalents at the end of the financial year	8	15,205,216	8,000,618

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 1. General information

The financial statements cover OncoSil Medical Ltd as a Group consisting of OncoSil Medical Ltd (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (the 'Group'). The financial statements are presented in Australian dollars, which is OncoSil Medical Ltd's functional and presentation currency.

OncoSil Medical Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 402, Level 4
50 Berry Street
North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OncoSil Medical Ltd as at 30 June 2018 and the results of all subsidiaries for the year then ended. OncoSil Medical Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is OncoSil Medical Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 2. Significant accounting policies (continued)

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Office equipment	3-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Research and development costs
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits
Employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Certain comparatives in the statement of profit or loss and other comprehensive income, where necessary, have been reclassified for consistency with the current period presentation.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018. It is not expected to significantly impact the financial statements on the basis that the main financial assets recognised represent cash and cash equivalent and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the Group. Financial liabilities of the Group are not impacted as the Group does not carry them at fair value.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the standard to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018. The directors have assessed the impact on this standard and due to the nature of the income on R&D incentive and perhaps interest received there is no impact to the income derived from these sources in the financial statements.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

IASB revised Conceptual Framework for Financial Reporting
The revised Conceptual Framework has been issued by the International Accounting Standards Board ('IASB'), but the Australian equivalent has yet to be published. The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accountings standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Research and development tax incentive
The Group measures the research and development tax incentive ('R&D') based on the preparation of the income tax return for the year therefore assumptions and judgement are involved to determine whether some costs are appropriated to R&D.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates in one segment being the device development for new medical treatments. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

Note 5. Other income

	Consolidated 2018 $	Consolidated 2017 $
Research and development tax incentive	4,440,918	3,446,185
Dividends	-	17,937
Interest	144,764	223,387
Other income	6,821	68,256
Other income	4,592,503	3,755,765

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

Research and development tax incentive
The research and development tax incentive ('RDTI') represents a refundable tax offset that is available on eligible research and development expenditure incurred by the Group. The RDTI is considered to be a form of government assistance and the accounting policy adopted is analogous to accounting for government grants.

RDTI are recognised at their fair value where there is a reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

RDTI relating to expenses are recognised as incurred at the point of time in profit or loss.

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

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

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 6. Expenses

	Consolidated 2018 $	Consolidated 2017 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Office equipment	39,913	29,132
Employee benefits (excluding share-based payments)		
Employee benefits	4,559,883	4,103,620
Defined contribution superannuation expense	288,265	357,931
Total employee benefits expense	4,848,148	4,461,551
Rental expense relating to operating leases		
Minimum lease payments	191,682	179,417

Note 7. Income tax

	Consolidated 2018 $	Consolidated 2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(8,539,542)	(7,016,079)
Tax at the statutory tax rate of 27.5%	(2,348,374)	(1,929,422)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development - write back	1,778,902	1,225,092
Share-based payments	270,446	382,187
Others	70,722	30,951
Future income tax benefit not brought to account	228,304	158,758
Impact of tax rate change	-	132,434
Income tax expense	-	-

	Consolidated 2018 $	Consolidated 2017 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	7,186,433	6,356,239
Potential tax benefit @ 27.5%	1,976,269	1,747,966

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 7. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2018 $	2017 $
Cash at bank	15,092,466	7,890,618
Cash on deposit	112,750	110,000
	15,205,216	8,000,618

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities between three and six months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2018 $	2017 $
Other receivables	41,909	83,203
Research and development tax incentive receivable	4,440,918	3,446,185
	4,482,827	3,529,388

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 10. Current assets - other assets

	Consolidated 2018 $	Consolidated 2017 $
Prepayments	23,063	90,145
Other deposits	69,214	69,254
Other current assets	15,753	-
	108,030	159,399

Note 11. Current liabilities - trade and other payables

	Consolidated 2018 $	Consolidated 2017 $
Trade payables	857,113	901,276
Payroll liabilities	702,982	597,950
Other payables	38,804	25,049
	1,598,899	1,524,275

Refer to note 15 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured, non-interest bearing and are usually paid within 60 days of recognition.

Note 12. Equity - issued capital

	Consolidated 2018 Shares	Consolidated 2017 Shares	Consolidated 2018 $	Consolidated 2017 $
Ordinary shares - fully paid	624,158,788	487,455,468	52,257,231	36,644,596

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2016	464,455,468		35,694,596
Employee loan shares issued	12 August 2016	4,000,000	$0.22	-
Options exercised	12 May 2017	19,000,000	$0.05	950,000
Balance	30 June 2017	487,455,468		36,644,596
Shares buy-back	30 January 2018	(7,000,000)	$0.00	-
Employee loan shares issued	2 March 2018	4,461,538	$0.22	-
Placement issue of shares	28 March 2018	72,624,415	$0.12	8,714,930
Placement issue of shares	20 April 2018	33,333,433	$0.12	4,000,012
Placement issue of shares	17 May 2018	33,283,934	$0.12	3,994,072
Transaction costs		-	$0.00	(1,096,379)
Balance	30 June 2018	624,158,788		52,257,231

Note 12. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the state of the Group's development there are no formal targets set for return of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group is not subject to any financing arrangements covenants or externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 13. Equity - reserves

	Consolidated	
	2018 $	2017 $
Foreign currency reserve	(115,328)	(78,688)
Share-based payments reserve	5,048,560	4,065,118
	4,933,232	3,986,430

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to: employees and directors as part of their remuneration under an Employee Share Plan; directors on terms determined by the Board and approved by shareholders; and other parties as part of their compensation for services.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 13. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2016	(79,148)	2,675,346	2,596,198
Foreign currency translation	460	-	460
Share-based payments	-	1,389,772	1,389,772
Balance at 30 June 2017	(78,688)	4,065,118	3,986,430
Foreign currency translation	(36,640)	-	(36,640)
Share-based payments	-	983,442	983,442
Balance at 30 June 2018	(115,328)	5,048,560	4,933,232

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The Group is not exposed to significant foreign currency risk.

Price risk
The Group was exposed to securities price risk on investments held for trading over the medium to long term in the comparative period. Such risk was managed through diversification of investments across industries and geographical locations.

Interest rate risk
The Group's main interest rate risk arises from cash at bank and short term deposits. The policy is to maintain a mix of fixed and floating rate deposits.

The carrying value of the Group's cash and cash equivalents at the reporting date, subject to interest rate risk are detailed in note 8. The effect a 100 (2017: 100) basis point interest rate change is detailed below. The method used to arrive at the possible change in basis points was based on the analysis of the average change of the Reserve Bank of Australia ('RBA') monthly issued cash rate over the past five years.

Note 15. Financial instruments (continued)

Consolidated - 2018	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	152,052	110,238	(50)	76,026	55,119

Consolidated - 2017	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	80,006	58,004	(50)	40,003	29,002

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and equity funding.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	857,113	-	-	-	857,113
Payroll liabilities	702,982	-	-	-	702,982
Other payables	38,804	-	-	-	38,804
Total non-derivatives	1,598,899	-	-	-	1,598,899

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 15. Financial instruments (continued)

Consolidated - 2017	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	901,276	-	-	-	901,276
Payroll liabilities	597,950	-	-	-	597,950
Other payables	25,049	-	-	-	25,049
Total non-derivatives	1,524,275	-	-	-	1,524,275

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 16. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2018 $	Consolidated 2017 $
Short-term employee benefits	1,213,444	1,090,066
Post-employment benefits	69,104	76,932
Share-based payments	710,791	1,089,401
	1,993,339	2,256,399

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Horwath Sydney, the auditor of the Company:

	Consolidated 2018 $	Consolidated 2017 $
Audit services - Crowe Horwath Sydney		
Audit or review of the financial statements	49,750	45,000

Note 19. Contingent liabilities

On 16 April 2013, OncoSil Medical Ltd settled the acquisition of OncoSil Medical (UK) Limited (formerly Enigma Therapeutics Limited "OncoSil UK"). OncoSil UK holds a licence to commercialise OncoSil™ (formerly BrachySil™), a targeted brachytherapy product for the treatment of cancer ('the Product') under a licence agreement from pSiMedica.

pSiMedica has granted to OncoSil UK an exclusive world-wide royalty-bearing license for the term of the pSiMedica Transaction (with limited rights to sub-license) under the Licensed Patents solely to make, use, sell, offer to sell and import the Product in the field of therapy in human neoplastic disease (cancer). Key terms of the license agreement have been summarised below:

- OncoSil UK is required to make a payment of up to US$100,000 to pSiMedica annually to support existing patents; and
- OncoSil UK is required to make the following payments for patents and subject to the Product completing positive clinical trials and becoming registered for sale.

(i) During the term of the licence, 8% of future net sales (future sales which cannot be guaranteed) of the Product or any other product protected by the rights arising from the Assigned Patents (if sold by OncoSil UK or its affiliates) and services performed using the Product or such other products, on a product-by-product and country-by-country basis. Only half of this payment must be made whenever approved generic competitor products derived from the Product maintain at least a 20% world-wide market share of sales, on a country-by-country and product-by-product basis.

(ii) 20% of any form of consideration, payments, royalties, third party net sales income and other payments received from third party licensing deals and various other agreements with third parties in relation to the Product or any other product protected by the rights arising from the Assigned Patents, for the term of the pSiMedica licence, on a product-by-product and country-by-country basis.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 19. Contingent liabilities (continued)

(iii) Potential milestone payments based only upon the Product being a commercial success, which cannot be guaranteed now or in the future (ranging from US$1,000,000 to US$5,000,000) upon:

- OncoSil UK, its affiliates and any of OncoSil UK's third party transferees together potentially achieving US$5,000,000 aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, for (i) an indication and (ii) a second indication;

- aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year of US$20,000,000 or more; and

- aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year of US$100,000,000 or more.

Termination of licence agreement

Unless terminated early for reasons such as a material breach, or by pSiMedica due to a patent challenge being brought against pSiMedica in certain circumstances (including by OncoSil UK), the term of the licence for the Licensed Patents and OncoSil UK's rights to exploit the product and any other products arising from the Assigned Patents, remain in effect on a country-by-country and product-by-product basis, until the later to occur of:

- the date on which the product or any other product protected by the rights arising from the Assigned Patents in such country is no longer covered or protected by a potential claim of the Licensed Patents or the Assigned Patents in such country; and
- ten years from the date of first commercial sale of a product or any other product protected by the rights arising from the Assigned Patents in such country.

In addition, if OncoSil UK reasonably forms the view that it is not capable of commercialising OncoSil™, OncoSil UK shall have the right to terminate the license agreement by giving 60 days prior written notice to pSiMedica.

The directors are not aware of any other commitments or contingencies as at 30 June 2018.

Note 20. Commitments

	Consolidated 2018 $	Consolidated 2017 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	131,319	131,319
One to five years	218,865	350,185
	350,184	481,504

Operating lease commitments include contracted amounts for commercial premises under non-cancellable operating leases expiring on 28 February 2021, with, in some cases, options to extend. The lease payments are increased on an annual basis to reflect market rentals.

Note 21. Related party transactions

Parent entity
OncoSil Medical Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 23.

Note 21. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

Transactions with related parties
Payment of Director's fees to Dr Chris Roberts AO, were made to his director-related entity, Robertsplan Pty Ltd during the financial year of $80,000 (2017: $80,000).

Payment of Director's fees to Mr. Martin Rogers, were made to his director-related entity, Structure Investments Pty Ltd during the financial year of $nil (2017: $27,889).

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018 $	2017 $
Loss after income tax	(7,898,955)	(6,756,309)
Total comprehensive income	(7,898,955)	(6,756,309)

Statement of financial position

	Parent	
	2018 $	2017 $
Total current assets	21,030,265	12,266,486
Total assets	21,116,520	12,381,957
Total current liabilities	1,697,562	1,660,120
Total liabilities	1,697,562	1,660,120
Equity		
Issued capital	52,257,231	36,644,596
Share-based payments reserve	5,048,559	4,065,118
Accumulated losses	(37,886,832)	(29,987,877)
Total equity	19,418,958	10,721,837

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 22. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2018 %	2017 %
OncoSil Medical UK Limited	United Kingdom	100.00%	100.00%
OncoSil Medical Germany GmbH	Germany	100.00%	100.00%
OncoSil Medical US Inc.	United States	100.00%	100.00%
OncoSil Medical NZ Limited	New Zealand	100.00%	100.00%

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax expense for the year	(8,539,542)	(7,016,079)
Adjustments for:		
Depreciation and amortisation	39,913	29,132
Share-based payments	983,442	1,389,772
Foreign exchange differences	(36,640)	460
(Gain)/loss on financial assets at fair value through profit or loss	-	(166,261)
(Gain)/loss on disposal of assets	(713)	94,218
Change in operating assets and liabilities:		
Increase in other operating assets	(902,071)	(1,024,842)
Increase in trade and other payables	75,337	556,389
Increase/(decrease) in employee benefits	(17,067)	27,366
Net cash used in operating activities	(8,397,341)	(6,109,845)

Note 25. Earnings per share

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax attributable to the owners of OncoSil Medical Ltd	(8,539,542)	(7,016,079)

Note 25. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	515,600,535	470,597,934
Weighted average number of ordinary shares used in calculating diluted earnings per share	515,600,535	470,597,934

	Cents	Cents
Basic earnings per share	(1.66)	(1.49)
Diluted earnings per share	(1.66)	(1.49)

Options have not been included in the diluted earnings per share calculation as they are anti-dilutive.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of OncoSil Medical Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 26. Share-based payments

The Group's Employee Share Plan ('ESP') is designed as an incentive for senior managers and above. Under the plan, participants are granted shares which only vest if certain performance standards are met. Once granted the shares have a vesting period as stated in the below table. The issue price is fully financed by a limited recourse loan provided by the Group. Dividends are for the benefit of the employee. Employees are not permitted to deal in the shares until the limited recourse loan has been repaid. Shares issued under the ESP are accounted for in a similar manner as options. There are no cash settlement alternatives.

The following share-based payment transactions occurred during the reporting period pursuant to the limited recourse loan arrangement:

2018 - Vesting conditions	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Granted 2 March 2018 *	4,230,769	02/03/2018	02/03/2021	$0.22	$0.079
Granted 2 March 2018 **	1,000,000	02/03/2018	11/08/2021	$0.22	$0.073

* Various operational milestones and continuous employment with the company until the applicant reaches the 4th anniversary of employment – 5 year loan.

** Continuous employment with the company until the applicant reaches the 4th anniversary of employment – 5 year loan.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 26. Share-based payments (continued)

2017 and prior - Vesting conditions	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Granted 12 August 2016 (a) *	4,000,000	12/08/2016	30/06/2021	$0.22	$0.096
Granted 10 May 2016 (b) **	24,000,000	10/05/2016	10/05/2021	$0.22	$0.104
Granted 13 January 2016 (c) ****	14,230,769	13/01/2016	13/01/2019	$0.13	$0.081
Granted 13 January 2016 (c) ***	769,231	13/01/2016	13/01/2019	$0.13	$0.081
Granted 8 October 2015 (d) ***	2,307,683	08/10/2015	08/10/2018	$0.13	$0.102
Granted 28 November 2014	3,000,000	28/11/2014	31/12/2019	$0.13	$0.059
Granted 28 November 2014	500,000	28/11/2014	31/12/2019	$0.18	$0.056

(a) Employees were issued 4,000,000 shares as per the existing employee loan share plan approved by shareholders on 29 April 2014.

(b) Daniel Kenny (CEO and Managing Director) and Dr Chris Roberts (Director) were issued 14,000,000 and 10,000,000 shares respectively as per the existing employee loan share plan approved by shareholders 29 April 2014.

(c) Tom Milicevic (CFO and Company Secretary) was issued an additional 4,230,769 shares under existing employee loan share plan approved by shareholders on 29 April 2014. An additional 10,000,000 shares (5,000,000 each ****) were issued to two senior executives of the Company as per the existing employee loan share plan approved by shareholders on 29 April 2014.

(d) Three employees were issued 769,231 shares respectively as per the existing employee loan share plan approved by shareholders on 29 April 2014.

* Various operational milestones and continuous employment with the company until the applicant reaches the 4th anniversary of employment – 5 year loan.

** There are 4 separate loan tranches each representing 25% of the total number of shares as disclosed;
- Tranche 1 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $10m
- Tranche 2 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $15m
- Tranche 3 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $30m
- Tranche 4 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $50m

*** Various operational milestones and continuous employment with the company until the applicant reaches the 3rd anniversary of employment – 3 year loan.

**** The vesting conditions attached to the 5,000,000 shares issued to Tom Milicevic are as following;

Tranche 1 - 1,500,000 shares which will vest automatically (within 4 year period from date of issue) when the total shareholder returns (TSR) in respect of holding ordinary shares in OncoSil Medical Ltd equalling 175% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date.

Notwithstanding the achievement of this TSR, the Tranche 1 shares will not vest until the expiry of 1 year from the date of issue of the Tranche 1 shares.

Tranche 2 – 1,500,000 shares which will vest automatically (within 4 year period from date of issue) (but subject to below) when the TSR in respect of holding ordinary shares in the Company equalling 250% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date. Notwithstanding the achievement of this TSR, the Tranche 2 shares will not vest until the expiry of 1 year from the date of issue of the Tranche 2 shares.

Tranche 3 – 2,000,000 shares which will vest automatically when Mr Tom Milicevic reaches his 4th anniversary of continuous employment with the Company.

Note 26. Share-based payments (continued)

Set out below are summaries of options granted:

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
04/06/2013	03/06/2017	$0.05	19,000,000	-	(19,000,000)	-	-
			19,000,000	-	(19,000,000)	-	-

The 19,000,000 options above had various vesting conditions as follows:
- 10,000,000 options vested immediately on grant date;
- 3,000,000 options vest if the Company's shares trade at or above 10 cents for 10 consecutive days;
- 3,000,000 options vest if the Company's shares trade at or above 15 cents for 10 consecutive days; and
- 3,000,000 options vest if the Company's shares trade at or above 20 cents for 10 consecutive days.

The weighted average share price during the financial year was $0.153 (2017: $0.1185).

The weighted average remaining contractual life of options outstanding at the end of the financial year was nil months (2017: 11 months).

Share based payments were priced using a Black-Scholes option pricing model inputs to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
02/03/2018	11/08/2021	$0.13	$0.22	99.00%	-	2.50%	$0.079
02/03/2018	02/03/2018	$0.13	$0.22	99.00%	-	2.50%	$0.073
12/08/2016	30/06/2021	$0.14	$0.22	99.00%	-	2.50%	$0.096
10/05/2016	10/05/2021	$0.15	$0.22	99.00%	-	2.50%	$0.104
13/01/2016	13/01/2019	$0.12	$0.13	99.00%	-	1.95%	$0.081
28/11/2014	31/12/2019	$0.08	$0.13	109.80%	-	2.50%	$0.059
28/11/2014	31/12/2019	$0.08	$0.18	109.80%	-	2.50%	$0.056

Terms of limited recourse loan arrangement
The loan issued are limited recourse such that on the repayment date the repayment obligation under the loan will be limited to the lessor of:
(a) the outstanding balance of the loan; and
(b) the market value of the loan shares on that date.

In addition, where the participant has elected for the loan shares to be provided to the company in full satisfaction of the loan, the Company must accept the loan shares as full settlement of the repayment obligation under the loan.

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2018

Note 26. Share-based payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

OncoSil Medical Ltd
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dr Chris Roberts AO
Non-Executive Chairman

22 August 2018
Sydney

Independent Auditor's report

Crowe Horwath Sydney
ABN 97 895 683 573
Member Crowe Horwath International

Audit and Assurance Services

Level 15 1 O'Connell Street
Sydney NSW 2000
Australia

Tel +61 2 9262 2155
Fax +61 2 9262 2190

www.crowehorwath.com.au

Independent Auditor's Report to the Members of OncoSil Medical Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of OncoSil Medical Ltd (the Company) and its subsidiaries (the Consolidated entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Consolidated entity is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Research and Development Tax Incentive Refer to Note 2 and Note 5	
Under the research and development (R&D) Tax Incentive scheme, the Consolidated entity is entitled to receive a 43.5% refundable tax offset of eligible expenditure if its turnover is less than $20 million per annum provided it is not controlled by the income tax exempt entities. The R&D plan is filed with AusIndustry in the following financial year, and based on this filing, the Consolidated entity receives the incentive in cash. The Consolidated entity prepared an estimate of its total R&D expenditure to determine the potential claim under the R&D tax incentive legislation. As at 30 June 2018, the Group had an estimated claim of $4.4 million relating to the year ended 30 June 2018. The R&D tax incentive is a key audit matter due to the size of the balance and because interpretation of the R&D tax legislation is required by the Consolidated entity to assess the eligibility of the R&D expenditure under the scheme.	We performed the following key procedures: ▪ Agreeing the estimate made in previous years to the amount of cash received after lodgement of the R&D tax claim. ▪ Comparing the nature of R&D expenditure included in the current year estimate to the prior year estimate. ▪ Testing a sample of R&D expenses for eligibility under the R&D Tax Incentive scheme. ▪ Comparing the amount of eligible expenditures used to calculate the estimate to the expenditure recorded in the general ledger. ▪ Inspecting copies of relevant documents lodged with AusIndustry and the ATO related to historic claims. ▪ Reviewing the related financial statement disclosures.

Independent Auditor's report cont.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated entity to express an opinion on the Consolidated entity financial report. The auditor is responsible for the direction, supervision and performance of the Consolidated entity audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 15 to 21 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of OncoSil Medical Ltd, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Independent Auditor's report cont.

Crowe Horwath
PART OF FINDEX

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Horwath Sydney

Crowe Horwath Sydney

John Haydon

John Haydon
Senior Partner

22 August 2018
Sydney

Shareholder Information

OncoSil Medical Ltd

The shareholder information set out below was applicable as at 10 September 2018

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

		# of holders of
Holdings Ranges	ordinary shares	options over ordinary shares
1-1,000	103	0
1,001-5,000	359	0
5,001-10,000	497	0
10,001-100,000	1,889	0
100,001-9,999,999,999	747	0
Totals	3,595	0
Holding less than a marketable parcel	88	0

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
Holder Name	# held	% of total shares issued
UBS NOMINEES PTY LTD	47,532,732	7.62%
WEBINVEST PTY LTD <OLSB UNIT A/C>	23,986,437	3.84%
MR DANIEL KENNY	20,041,667	3.21%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	19,459,873	3.12%
BANNABY INVESTMENTS PTY LIMITED	18,842,690	3.02%
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	18,375,000	2.94%
NATIONAL NOMINEES LIMITED	16,109,716	2.58%
MR ROGER ASTON	12,516,547	2.01%
DENLIN NOMINEES PTY LTD	12,000,000	1.92%
ROJO NERO CAPITAL PTY LTD	11,437,500	1.83%
MR CHRISTOPHER GRAHAM ROBERTS	10,125,000	1.62%
CITICORP NOMINEES PTY LIMITED	8,754,142	1.40%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	7,224,546	1.16%
WESTCAP PTY LTD	5,957,687	0.95%
MR ADRIAN DARBY	5,124,001	0.82%
MS NICOLE WILSON	5,000,000	0.80%
MR TOM MILICEVIC	5,000,000	0.80%
MR ASHISH SOMAN	5,000,000	0.80%
MR DAVID CHARLES JAMES	5,000,000	0.80%
STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	5,000,000	0.80%
MR MICHAEL WARRENER	5,000,000	0.80%
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	5,000,000	0.80%
	272,487,538	43.66%
Total of Securities	624,158,788	

Shareholder Information cont.

Unquoted equity securities

Options over ordinary shares issued

	# of shares	# of holders
Not applicable	0	0

Substantial holders

Substantial holders in the Company are set out below:

	# of shares	# of holders
REGAL FUNDS MANAGEMENT PTY LIMITED	59,238,620	9.49%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Corporate Directory

OncoSil Medical Limited ABN 89 113 824 141
www.oncosil.com.au

Directors

Dr Chris Roberts Non-Executive Chairman
Mr Daniel Kenny CEO and Managing Director
Dr Roger Aston Non-Executive Director
Dr Martin Cross Non-Executive Director

Company Secretary

Tom Milicevic CFO and Company Secretary

Registered Office

Suite 402, Level 4, 50 Berry St
North Sydney NSW 2060
T: +61 2 9223 3344

Bankers

Westpac Banking Corporation
341 George St
Sydney NSW 2000

Auditors

Crowe Horwath Sydney
Level 15, 1 O'Connell St
Sydney NSW 2000
T: +61 2 9262 2155

Legal Counsel

K&L Gates
Level 25, South Tower, 525 Collins St
Melbourne VIC 3000
T: +61 3 9205 2000

Davies Collison Cave
Level 14, 255 Elizabeth St
Sydney NSW 2000
T: +61 2 9293 1000

Stock Exchange

OncoSil Medical Limited shares are listed on the Australian Securities Exchange
ASX code: OSL

Share Registry

Boardroom Pty Ltd
Level 12, 225 George St
Sydney NSW 2000
T: 1300 737 760

www.colliercreative.com.au #ONC0004

OncoSil Medical Limited
www.oncosil.com.au
T: +61 2 9223 3344
F: +61 2 9252 3988