Appendix 4D
Half-Year Report for the period ended 31 December 2015

Results for announcement to the Market

Financial Performance

PharmAust Limited - Consolidated			
(AUD 000')	**Half-year ended 31 Dec 2015**	**Half-year ended 31 Dec 2014**	**Movement %**
Revenue	1,457	992	47%
(Loss) before tax attributable to members	(963)	(1,073)	(10%)
(Loss) after tax attributable to members	(963)	(1,073)	(10%)

Review of Operations

Refer to Directors' Report included in the attached half-year financial report.

Dividends

No Dividends were paid or declared for payment during the half-year period under review.

Earnings Per Share

	Half-year ended 31 Dec 2015		**Half-year ended 31 Dec 2014**
(Loss) per share (Basic & Diluted)	(0.08) cents		(0.07) cents

Net Tangible Asset Backing

	Half-year ended 31 Dec 2015		**Half-year ended 31 Dec 2014**
Net tangible asset backing	3.04 cents		0.105 cents

Entities Acquired and Disposed During the Period

There were no entities acquired or disposed of during the period.

Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors. On behalf of the Directors:

Sam Wright
Director

Signed at Perth this 26th day of February 2016

PHARMAUST LIMITED
ABN 35 094 006 023
AND ITS CONTROLLED ENTITIES

Interim Financial Report
for the half-year ended 31 December 2015

C O N T E N T S

PHARMAUST LIMITED
DIRECTORS' REPORT

The directors of PharmAust Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2015.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Dr Roger Aston
Dr Wayne Best
Mr Robert Bishop
Mr Sam Wright
Prof. David Morris (resigned 27 October 2015)

RESULTS

The operating loss for the consolidated entity for the half-year ended 31 December 2015 was $962,746 (2014: loss of $1,073,366).

PRINCIPAL ACTIVITIES

The principal continuing activities constituted by PharmAust Limited and the entities it controlled during the half year were to develop its own drug discovery intellectual property, namely three platforms for the treatment of different types of cancers in humans and animals, as well as providing highly specialised medicinal and synthetic chemistry services on a contract basis to clients.

REVIEW OF OPERATIONS

PITNEY PHARMACEUTICALS PTY LTD – 100% OWNED SUBSIDIARY

MPL CLINICAL TRIAL IN HUMANS

On 23rd July, the Company reported the successful closure of its Phase I (Phase IIa) "first in man" trial where seven patients were assessed for tumour markers at the Royal Adelaide Hospital. PharmAust received confirmation that the last patient, who was treated at the higher dose of MPL (25mg/kg), showed meaningful suppression of key cancer marker p70S6K. Importantly, during the trial, both principal end points were successfully met, namely:

1. MPL demonstrated a very good safety profile as compared with many other established anticancer drugs, and
2. MPL showed activity against cancer through the suppression of a key cancer marker.

In the trial, seven patients were treated with MPL for various time periods and measurements were successfully taken for anticancer activity through marker suppression (p70S6K). Three patients completed the full 28-day treatment period. One patient was not included in the cancer marker results as they only received a single dose of the drug. One patient received the higher dose of MPL (25mg/kg).

On 21 October, PharmAust reported that it had received the Phase I Clinical Trial Synopsis from CPR Pharma Services, who have worked with CMAX-IDT to successfully complete PharmAust's first-in-man clinical trial of MPL at the Royal Adelaide Hospital.

Outcomes of Clinical Trial

SAFETY
MPL demonstrated a very good safety profile as compared with many other established anticancer drugs. Whilst MPL was well tolerated in humans, adverse events (AEs) deemed to be related to study medication included nausea, vomiting, diarrhoea, and decreased appetite. The poor palatability of MPL is believed to be the major contributor to these AEs and responsible for poor patient compliance in taking the drug during the trial. Although a number of Serious Adverse Events (SAEs) were noted during the study, they were not related to the study medication. To address the palatability issues of MPL, PharmAust has appointed Juniper Pharma Services, a subsidiary of Juniper Pharmaceuticals, Inc. (Nasdaq: JNP), to reformulate monepantel (MPL) for its Phase II studies currently in planning and preparation.

ORAL ABSORPTION
The pharmacokinetics of MPL indicate rapid absorption and peak blood levels (4-6 hours) following oral administration of the drug. The blood levels of MPL are in line with the levels observed for other anticancer drugs.

ANTI-CANCER ACTIVITY
MPL showed activity against cancer through the suppression of tumour marker p70S6K which is highly significant when the data from 7 patients is combined and analysed (at day 3 of treatment $p<0.0004$ and at day 7 of treatment $p<0.002$). Furthermore, evaluation of white blood cells of patients who have received MPL for three consecutive days has shown that the levels of p-4E-BP1 cancer marker are significantly reduced as compared to its levels at Day 1 before treatment started. Of the 4 subjects with post-dose RECIST assessment (tumour measurements) at a dose level of 5 mg/kg, 2 were classified as stable disease and 2 were classified as progressive disease.

Dr Aston said "This is a very strong result for our Phase I trial which will now allow us to proceed as soon as possible to a Phase II evaluation of MPL. Preliminary discussions with physicians at both the Royal Adelaide Hospital and at Clinical Research Centres in the UK signal strong interest to evaluate MPL where first line therapy has failed. Following some additional contractual studies, which we will report upon, we expect to be able to select what chemotherapy is preferred to be used in conjunction with MPL in the next trial. Furthermore, the Phase I study has confirmed that MPL is absorbed orally in quantities that result in suppression of the cancer marker p70s6k in peripheral immune cells; this gives us much confidence that the drug is active on markers that have been correlated with aggressive features of cancer, such as growth, invasion and metastasis."

MPL CLINICAL TRIAL IN CANINES

Following the announcement that MPL significantly suppressed a key cancer marker in two dogs evaluated, and has been safe and well tolerated by all the dogs treated with the drug so far, the Company decided to move to the next stage of clinical evaluations which make use of the "synergy" discovery (announced to the market 17th February 2014).

During the half year, PharmAust advised that it had completed the treatment of two canine patients with MPL in combination with Carboplatin, one of the "standard of care" chemotherapy drugs used in both human and veterinary anticancer medicine. Neither dog suffered any adverse events despite the fact they both had progressive, advanced cancers and few treatment options. Executive Chairman, Dr Aston stated, "Combining chemotherapy with MPL in a target species with a natural cancer, is an important step for PharmAust. There is a highly significant synergy between chemotherapy and MPL without enhancement of the associated side-effects commonly seen with anticancer drugs. As such, the lack of any adverse events in canines is an exciting outcome. Furthermore, this gives us much confidence in moving forward with Phase II combination therapies in man."

We are currently conducting pre-clinical work on MPL and PharmAust has appointed Juniper Pharma Services to reformulate MPL for its Phase II studies currently in planning and preparation

Whilst we are waiting for Juniper to produce 20,000 capsules we will seek:
- Application by Veterinary Hospital for dog trial
- Registration trial (Phase II) to commence around April/May 2016

PharmAust Appoints RedChip to undertake Global Investor Relations Program

On 24 November, PharmAust announced that it appointed RedChip Companies ("RedChip") to provide a comprehensive global investor relations program to expand the Company's retail and institutional shareholder base in the U.S, Europe, Asia and Latin America.

RedChip is a world leader in investor relations, financial media, and research for microcap, small-cap, and mid-cap stocks. Founded in 1992 and headquartered in Orlando, Florida, with affiliates in New York, Pittsburgh, Paris and Seoul, RedChip has helped hundreds of companies achieve their capital markets goals and has been ranked by Inc. Magazine as one of the fastest growing privately held investor relations firms in the U.S. RedChip's platform includes a weekly television show, "The RedChip Money Report," which reaches more than 160 million households in Australia, Europe, Asia, and Latin America (http://www.redchip.com/tv).

RedChip has now commenced execution of an investor relations program to showcase PharmAust's product pipeline to retail and institutional investors globally.

GenScript to Complete Further Pre-Clinical Validation for Phase II Trial

During the half year PharmAust appointed GenScript to investigate the use of MPL/monepantel in conjunction with current "Standard of Care" in preparation for PharmAust's investigation of monepantel in Phase II.

Following PharmAust's demonstration that combinations of chemotherapy and monepantel result in synergy with respect to anticancer activity, the company will be investigating and validating the various combinations in different cancers in GenScript's model systems. This work programme will be as a prelude to PharmAust initiating its Phase II trial.

GenScript is the leading gene, peptide, protein and antibody research partner for fundamental life science research, translational biomedical research, and pre-clinical pharmaceutical development. Since their establishment in 2002, GenScript has exponentially grown to become a global leading biotech company that provides life sciences services and products to scientists over 100 countries worldwide. PharmAust will be accessing their in vitro and in vivo pharmacology capability to optimise its treatment regiments for the Phase II trial.

EPICHEM PTY LTD - 100% OWNED SUBSIDIARY

Epichem has been delivering synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries worldwide since 2003. Epichem offers a range of rare and hard to find pharmaceutical impurities, degradants and metabolites of active ingredients and excipients, particularly for OTC and generic drugs.

Epichem has been at the forefront of synthesizing new and difficult to obtain standards and many of these are exclusive to Epichem and not available elsewhere. This range is continually expanding in response to customer requests and developments in the industry. Epichem is globally competitive with clients in 32 countries and is rapidly expanding its reach.

Epichem also excels in custom synthesis and contract drug discovery, boasting a highly skilled team of scientists, most with a PhD and industry experience. This valuable investment in people allows Epichem to lead drug discovery programs, perform custom synthesis, conduct optimisation and method development for scale-up and engage in high-level problem solving.

Epichem has a long history of helping pharmaceutical companies identify trace impurities and has produced a range of pharmaceutical reference standards to aid the industry in detecting and measuring these impurities, ultimately assisting in the quality assurance and control of its clients' medicines.

Epichem's expert team of medicinal chemists is also supporting PharmAust's oncology programmes and has made a number of novel analogues of MPL. While still at the early pre-clinical research stage, if successful, this research could ultimately lead to a new drug with improved properties which is wholly owned by PharmAust.

Epichem continued to promote its products and services both within Australia and overseas with staff attending a number of conferences and tradeshows including AusBiotech in Melbourne and ChemOutsourcing in New Jersey, USA. Most notably, Epichem was an exhibitor at CPhI WorldWide in Madrid, Spain, which is the world's premier trade show for the pharmaceutical industry attended by 36,000 delegates. Feedback from CPhI was excellent with a number of new customers and prospects resulting.

Epichem has a new tag line to better reflect our business offerings: "Our Formula. Your Success". The Epichem website (www.epichem.com.au) and other promotional media are currently being refreshed.

Epichem's New Laboratory Completed

During the half year, Epichem reported the completion of their new laboratory in WA's Technology Park which became fully operational at the site on 11 September. The new laboratory is over twice the size of its previous laboratory at Murdoch University and has provision for additional expansion in the future. The extra capacity of the new facilities will allow Epichem to rapidly grow its business to our 5-year target of $10 million pa.

Managing Director of Epichem, Dr Wayne Best, stated, "Not only does the new laboratory provide significant extra capacity but its improved design offers significant improvements in efficiency". Dr Best added that "The timing couldn't be better for the expansion. With most of Epichem's business being for the export market, the current low Australian Dollar adds significantly to our competitiveness and profitability."

Epichem Awarded Two Year Contract Extension from DNDi

Epichem was awarded a two year extension to its current contract with Drugs for Neglected Diseases initiative (DNDi). The contract, which was due to finish on 31 December 2015, will now see Epichem continue to provide synthetic & medicinal chemistry support to DNDi's drug discovery projects until 31 December 2017. The extension will generate a further $2.3M in revenues for Epichem during that period.

Epichem's Managing Director, Dr Wayne Best, said "Everyone in the company is delighted to have been given the opportunity to continue contributing to the important work undertaken by DNDi."

DNDi is a not-for-profit product development partnership working to research and develop new treatments for neglected diseases, in particular human African trypanosomiasis, leishmaniasis, Chagas disease, malaria, paediatric HIV, and specific helminth-related infections.

Annual General Meeting

On 27 October, PharmAust held its Annual General Meeting of Shareholders at Epichem Pty Ltd, Suite 5, 3 Brodie-Hall Drive, Bentley, Western Australia. All resolutions that were put were unanimously passed on a show of hands, including the resolution authorising a consolidation of the Company's Issued Capital on the following basis:
(a) every 20 Shares to be consolidated into 1 Share; and
(b) every 20 Options be consolidated into 1 Option and the exercise price of each Option to be amended in inverse proportion to this ratio in accordance with ASX Listing Rule 7.22.1

SUBSEQUENT EVENTS

Juniper Pharma Services to reformulate MPL for Phase II Trials

On 11th January 2016, PharmAust appointed Juniper Pharma Services, a subsidiary of Juniper Pharmaceuticals, Inc. (Nasdaq: JNP), to reformulate monepantel (MPL) for its Phase II studies currently in planning and preparation.

UK-based Juniper Pharma Services will also manufacture 20,000 capsules of the reformulated MPL solution under Good Manufacturing Practice (GMP), ensuring that the Phase II data are admissible to regulators as part of any subsequent submissions.

The primary need to reformulate MPL stems from the particularly unpleasant taste of the current MPL formulation, as used at the Royal Adelaide Hospital during the Phase I study. Despite showing significant activity of MPL on tumour markers such as p70S6K and p-4E-BP1, compliance by patients in taking the drug for 28 days was poor due to nausea associated with the exceptionally poor palatability of the drug.

PharmAust's Chairman, Dr Roger Aston said: "We expect the reformulation process to take about 12-14 weeks which gives us time to prepare clinical trial submissions to regulatory bodies based on the capsule format. We have shown that oral MPL is effectively absorbed in humans and canines yielding blood levels of the drug which have shown both safety and activity against key tumour markers."

Notice of Allowance received from USA Patent Office

On 5th February 2016, PharmAust reported that its key patent "Kinase Inhibitors for the Treatment of Cancer" (14/387,270) has been examined and allowed for issuance in the USA by the United States Trademark And Patent Office. This patent governs the use of the Novartis veterinary drug, monepantel, in the treatment of both human and canine cancers. PharmAust has an "Option to Licence Agreement" with Novartis Animal Health for the use of this intellectual property in the treatment of veterinary cancers.

PharmAust's Chairman, Dr Roger Aston said: "This is the first of a series of patent applications applied for by the Company which are proceeding towards allowance in the USA and other territories on the use of aminoacetonitriles in cancer. For small biotech companies it is vital to have key controlling intellectual property to enable successful commercialisation."

PharmAust Receives $546K R&D Rebate from ATO

On 1st February 2016, PharmAust announced that the Australian Taxation Office ("ATO") had recognised the innovation of the Research and Development being developed by wholly owned subsidiaries, Epichem Pty Ltd and Pitney Pharmaceuticals Pty Limited.

The Company had previously lodged an application with Innovation Australia following advice from PharmAust's consultants that the R&D may qualify for a Research and Development Tax Rebate on its 2015 tax return.

Following approval from the ATO of the Company's application for a Research and Development rebate, an amount of $546.034.50 was deemed refundable on PharmAust's 2015 Tax Return and a cheque for that amount plus interest has subsequently been received by PharmAust and banked.

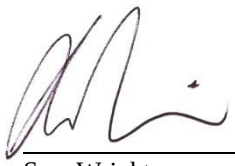
PharmAust Receives $560K payment from DNDi

On 19th January 2015, Epichem received $559,925 from DNDi for work continuing on its flagship project on Chagas disease. This payment is not included in this Half Yearly Report as it was received after 31 December 2015.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This report is signed in accordance with a resolution of the Board.



Sam Wright
Director

Signed at Perth this 26th day of February 2016

PHARMAUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2015

	Consolidated	
	31 December 2015 $	**31 December 2014 $**
Revenue	799,946	808,790
Other income	657,247	183,187
Total revenue	1,457,193	991,977
Raw material and consumables used	(91,005)	(121,946)
Research and development expenses	(457,521)	(279,204)
Administration expenses	(918,397)	(515,701)
Employee benefits expense	(889,085)	(1,114,370)
Borrowing costs	(18,360)	(1,778)
Depreciation	(45,571)	(32,344)
Loss before income tax	(962,746)	(1,073,366)
Income tax expense	-	-
Loss for the period	(962,746)	(1,073,366)
Other comprehensive income	-	-
Total comprehensive loss for the period	(962, 746)	(1,073,366)
Basic and diluted loss per share (cents per share)	(0.08)	(0.07)

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	Consolidated 31 December 2015 $	Consolidated 30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		1,317,056	3,411,767
Trade and other receivables		168,001	223,271
Other current assets		615,311	89,910
Financial assets		5,600	7,200
Inventories		164,579	-
TOTAL CURRENT ASSETS		2,270,547	3,732,148
NON CURRENT ASSETS			
Plant and equipment	7	1,874,917	611,009
Intangible assets		5,179,128	5,179,128
TOTAL NON CURRENT ASSETS		7,054,045	5,790,137
TOTAL ASSETS		9,324,592	9,522,285
CURRENT LIABILITIES			
Trade and other payables		382,632	459,610
Borrowings		223,697	31,596
Provisions		189,657	172,630
TOTAL CURRENT LIABILITIES		795,986	663,836
NON CURRENT LIABILITIES			
Borrowings		525,000	7,899
Provisions		12,191	11,484
TOTAL NON CURRENT LIABILITIES		537,191	19,383
TOTAL LIABILITIES		1,333,177	683,219
NET ASSETS		**7,991,415**	**8,839,066**
EQUITY			
Issued capital	3	44,463,072	44,393,484
Reserves		987,136	941,629
Accumulated losses		(37,458,793)	(36,496,047)
TOTAL EQUITY		**7,991,415**	**8,839,066**

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2015

	Issued Capital $	Accumulated Losses $	Options Reserve $	Total $
As at 1 July 2014	**41,393,484**	**(34,570,956)**	**941,629**	**7,764,157**
Loss for the period	-	(1,073,366)	-	(1,073,366)
Total comprehensive loss for the period	-	(1,073,366)	-	(1,073,366)
As at 31 December 2014	**41,393,484**	**(35,644,322)**	**941,629**	**6,690,791**

	Issued Capital $	Accumulated Losses $	Options Reserve $	Total $
As at 1 July 2015	**44,393,484**	**(36,496,047)**	**941,629**	**8,839,066**
Loss for the period	-	(962,746)	-	(962,746)
Total comprehensive loss for the period	-	(962,746)	-	(962,746)
Transactions with owners in their capacity as owners:				
Shares issued (net)	69,588	-	-	69,588
Options issued	-	-	45,507	45,507
As at 31 December 2015	**44,463,072**	(37,458,793)	**987,136**	**7,991,415**

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2015

	Note	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		855,216	981,902
Payments to suppliers and employees		(2,271,570)	(2,054,033)
Interest received		7,744	25,164
Other income		103,469	-
Finance costs		(18,360)	(1,778)
Net cash used in operating activities		(1,323,501)	(1,048,745)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(1,481,662)	(111,303)
Net cash used in investing activities		(1,481,662)	(111,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued (net)		1,250	-
Net proceed / (repayment of) from borrowings		709,202	(15,798)
Net cash provided by financing activities		710,452	(15,798)
Net movement in cash held		(2,094,711)	(1,175,846)
Cash at beginning of the financial period		3,411,767	2,304,323
Cash at end of the financial period		1,317,056	1,128,477

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2015

1. BASIS OF PREPARATION

This general purpose financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by PharmAust Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below:

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of purchased inventory is determined on the basis of weighted average costs. Cost of manufactured and work in progress stock includes direct materials, direct labour, and an appropriate proportion of variable and fixed factory overhead expenditure directly related to production. These costs are assigned to all items of inventory on a standard cost basis.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

2 SEGMENT INFORMATION

The company has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective and the following are the reportable segments under AASB 8.

	Corporate	Pharmaceutical	Total
	$	$	$
31 December 2015			
Revenue			
External sales	-	799,946	799,946
Other external revenue	504,309	152,938	657,247
Total revenue per statement of comprehensive income			1,457,193
Results			
Segment net profit (loss) before tax	(680,590)	(282,156)	(962,746)
Interest income	3,890	3,854	7,744
Interest expense	-	(18,360)	(18,360)
Depreciation and amortisation	(3,462)	(42,109)	(45,571)
Segment assets			
Segment operating assets	1,749,087	7,575,505	9,324,592
Segment liabilities			
Segment operating liabilities	(238,177)	(1,095,000)	(1,333,177)

	Corporate	Pharmaceutical	Total
	$	$	$
31 December 2014			
Revenue			
External sales	-	808,790	808,790
Other external revenue	17,241	165,946	183,187
Total revenue per statement of comprehensive income			991,977
Results			
Segment net profit (loss) before tax	(998,859)	(74,507)	(1,073,366)
Interest income	17,241	7,921	25,162
Interest expense	-	(1,778)	(1,778)
Depreciation and amortisation	(3,462)	(28,882)	(32,344)
Segment assets			
Segment operating assets	877,600	6,241,284	7,118,884
Segment liabilities			
Segment operating liabilities	(48,486)	(379,607)	(428,093)

3 ISSUED CAPITAL

	31 December 2015	30 June 2015	31 December 2015	30 June 2015
Ordinary shares on issue	**Number**	**Number**	**$**	**$**
Balance at beginning of period	1,840,006,606	1,440,006,606	44,393,484	41,393,484
Share placement (net)	62,500	-	1,250	-
Share consolidation (20 to 1)	(1,748,065,651)	-	-	-
Share issued	500,000	-	68,338	-
Share placement (net)	-	400,000,000	-	3,000,000
Balance at end of period	92,503,455	1,840,006,606	44,463,072	44,393,484

4 DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

5 CONTINGENT LIABILITIES AND ASSETS

During the half year, the group entered into an agreement with a supplier to provide services to the group. A fee of $410,970 will be paid contingent upon the supplier meeting the performance target set in the agreement.

Other than the above, there has been no change in contingent liabilities or contingent assets since the last annual reporting date.

6 SUBSEQUENT EVENTS

There have been no other known significant events subsequent to the end of the period.

	CONSOLIDATED	
	31 DECEMBER 2015	**30 JUNE 2015**
	$	**$**
7. PLANT AND EQUIPMENT		
Cost	2,382,492	1,236,021
Accumulated depreciation	(507,575)	(625,012)
	1,874,917	611,009

Movements in Carrying Amounts:

Carrying amount at 1 July 2015	611,009
Additions	1,469,972
Disposal	(160,493)
Depreciation expense	(45,571)
Carrying amount at 31 December 2015	1,874,917

8 COMMITMENTS

Other commitments

	31 December 2015
	$
Within one year	109,592
	109,592

PHARMAUST LIMITED
DIRECTORS' DECLARATION

In the opinion of the directors of Pharmaust Limited ('the company'):

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

Sam Wright
Director

Signed at Perth this 26th day of February 2016

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

PHARMAUST LIMITED

We have reviewed the accompanying half-year financial report of PharmAust Limited which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PharmAust Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 26 February 2016

D J WALL
Partner

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of PharmAust Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 26 February 2016

D J WALL
Partner