

Appendix 4D

Half-year Report
31 December 2014

ONCOSIL MEDICAL LTD

ABN 89 113 824 141

Results for announcement to the market

Financial Results	% change	\$ change	December 2014 \$	December 2013 \$
Revenue	Up 1114	Up 1,172,391	1,277,589	105,198
Profit (Loss) after tax attributable to members	Down 23	Down 460,401	(2,456,139)	(1,995,738)
Net Profit (Loss) for the period attributable to members	Down 23	Down 460,401	(2,456,139)	(1,995,738)

Dividends

It is not proposed that Oncosil Medical Ltd pay a dividend.

Net Tangible Asset Backing	December 2014	June 2014
Net tangible asset backing per ordinary security	2.07 cents	2.68 cents

Other explanatory notes

Refer to the Director's Report for an explanation of the operational and financial results of the Company.

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Consolidated Interim Financial Statements

For the Half Year Ended 31 December 2014

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

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For the Half Year Ended 31 December 2014

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OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Directors' Report For the Half Year Ended 31 December 2014

The directors submit the financial report of OncoSil Medical Limited and its controlled entities ("the Group") for the half year ended 31 December 2014.

Directors

The names of the Directors in office at any time during, or since the end of, the half year are:

Names	Position	Appointed/Resigned
Mr Martin Rogers	Non-Executive Director	
Dr Neil Frazer	Managing Director	Resigned 28 November 2014
Dr Roger Aston	Executive Chairman	Appointed 9 September 2014
Mr Lawrence Gozlan	Non-Executive Director	
Mr Daniel Kenny	Managing Director	Appointed 28 November 2014

Operating results

The consolidated loss of the Group for the half year ended 31 December 2014 amounted to \$2,456,139 (31 December 2013 loss of \$1,995,738).

Review of operations

OncoSil Medical Limited (the "Company") is a clinical-stage Australian lifesciences company delivering new technologies for safer medical radiation treatments. The principal activity of the Company is the development of OncoSil™ for treatment of nonresectable pancreatic cancer.

The Company continues to develop the clinical program for OncoSil™ and has commenced design for a pivotal study in patients with nonresectable pancreatic cancer expecting to commence in multiple countries around the world.

On 9 September 2014 Dr Roger Aston was appointed Executive Chairman replacing non-executive Chairman Martin Rogers who then assumed the role of non-executive Director.

On 11 November 2014 the Company announced that Mr Daniel Kenny had been selected as CEO to drive the Company's corporate objectives for OncoSil™. Following the Company's AGM on 28 November 2014, Mr Kenny was also appointed as Managing Director and Dr Neil Frazer resigned as an executive and Director of the Company.

In early December 2014 the Company initiated a CE Mark and IDE technical design dossier gap analysis assessment of OncoSil™ with a view to developing an action plan for Global Registration for the device. The Company is aggressively pursuing its Global Registration Plan.

The Company is well funded to pursue its immediate corporate objectives with cash and liquid assets of \$6.3 million as at 31 December 2014. Since 31 December 2014 the Company has received a further \$1.5 million R&D tax incentive refund. The Board continues to monitor expenditure and clinical development strategy closely.

Over the next twelve months the Company will continue to invest funds for OncoSil™ through its Clinical Development & Global Registration Plan for 2015.

OncoSil Medical Limited and its controlled entities

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Directors' Report

For the Half Year Ended 31 December 2014

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2014 has been received and can be found on page 3 of the financial report.

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



Director:

Dr Roger Aston

Dated this26..... day ofFebruary..... 2015

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of OncoSil Medical Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Horwath Perth



Cyrus Patell
Partner

Signed at Perth, 26th of February 2015

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Consolidated Interim Statement of Profit or Loss For the Half Year Ended 31 December 2014

		Consolidated Half Year	
		31 December 2014	31 December 2013
	Note	\$	\$
Other income		158,732	95,798
Unrealised Profit/(Loss) on financial assets		(132,726)	9,400
R&D Income Tax Credit	6	1,251,583	-
Employment expenses		(518,980)	(512,944)
Occupancy		(137,142)	(112,824)
Finance and legal expenses		(170,371)	(70,841)
Consulting		(531,150)	(455,068)
Research		(1,738,353)	(198,165)
Other administration expenses		(361,165)	(491,918)
Loss on foreign exchange		(13,260)	(153,428)
Share based payments	5	(263,307)	(105,748)
Loss before income tax		(2,456,139)	(1,995,738)
Income tax benefit		-	-
Loss for the half year		(2,456,139)	(1,995,738)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the half year		(2,456,139)	(1,995,738)
Total comprehensive loss attributable to:			
Members of the parent entity		(2,456,139)	(1,995,738)
(Loss) Earnings per share			
From continuing operations:			
Basic (loss) earnings per share (cents)		(0.69)	(0.70)
Diluted (loss) earnings per share (cents)		(0.69)	(0.70)

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Consolidated Interim Statement of Financial Position As At 31 December 2014

		Consolidated	
		31 December	30 June
		2014	2014
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,601,675	2,738,997
Trade and other receivables	3	66,824	136,820
Financial assets	4	4,739,009	4,349,657
Other assets		1,384,049	2,391,066
TOTAL CURRENT ASSETS		7,791,557	9,616,540
NON-CURRENT ASSETS			
Property, plant and equipment		15,103	16,586
Intangible assets		2,647,726	2,647,726
TOTAL NON-CURRENT ASSETS		2,662,829	2,664,312
TOTAL ASSETS		10,454,386	12,280,852
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		289,431	36,382
Employee benefits		49,035	32,331
Other liabilities		127,789	52,009
TOTAL CURRENT LIABILITIES		466,255	120,722
TOTAL LIABILITIES		466,255	120,722
NET ASSETS		9,988,131	12,160,130
EQUITY			
Issued capital	5	23,806,347	23,785,514
Reserves		1,820,873	1,557,566
Accumulated losses		(15,639,089)	(13,182,950)
TOTAL EQUITY		9,988,131	12,160,130

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Consolidated Interim Statement of Changes in Equity For the Half Year Ended 31 December 2014

	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Option reserve \$	Total Equity \$
Balance at 1 July 2014	23,785,514	(13,182,950)	852,670	704,896	12,160,130
Comprehensive loss for the period	-	(2,456,139)	-	-	(2,456,139)
Shares issued during the period net of transaction costs	20,833	-	-	-	20,833
Share based payments	-	-	263,307	-	263,307
Balance at 31 December 2014	23,806,347	(15,639,089)	1,115,977	704,896	9,988,131

	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Option reserve \$	Total Equity \$
Balance at 1 July 2013	13,888,590	(8,960,445)	417,525	704,896	6,050,566
Comprehensive loss for the period	-	(1,995,738)	-	-	(1,995,738)
Shares issued during the period net of transaction costs	9,914,424	-	-	-	9,914,424
Share based payments	-	-	105,748	-	105,748
Balance at 31 December 2013	23,803,014	(10,956,183)	523,273	704,896	14,075,000

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

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Consolidated Interim Statement of Cash Flows For the Half Year Ended 31 December 2014

	Consolidated Half Year	
	31 December 2014	31 December 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(2,177,050)	(2,038,230)
Dividends received	59,646	-
Interest received	98,383	105,198
Interest paid	(1)	-
R&D Tax Credit	1,251,583	-
Net cash used in operating activities	<u>(767,439)</u>	<u>(1,933,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of financial assets	(389,353)	(4,242,069)
Purchase of plant and equipment	(1,363)	-
Net cash used in investing activities	<u>(390,716)</u>	<u>(4,242,069)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issue of shares	20,833	9,914,424
Net cash provided by financing activities	<u>20,833</u>	<u>9,914,424</u>
Net increase/(decrease) in cash and cash equivalents held	(1,137,322)	3,739,323
Cash and cash equivalents at beginning of the half year	2,738,997	3,510,738
Cash and cash equivalents at end of the half year	<u>1,601,675</u>	<u>7,250,061</u>

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Notes to the Financial Statements For the Half Year Ended 31 December 2014

1 Basis of Preparation

This condensed consolidated interim financial report for the half year ending 31 December 2014 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of OncoSil Medical Limited and its controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half year.

Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

New and revised accounting requirements applicable to the current half-year reporting period:

The consolidated Group has adopted all of the new and revised standards and interpretations, to the extent applicable, issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adoptions of the new and revised standards and interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

2 Operating Segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Consolidated Interim Statement of Profit or loss, Consolidated Interim Statement of Financial Position and Consolidated Interim Statement of Cash Flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

3 Trade and other receivables

	Consolidated	
	31 December	30 June
	2014	2014
	\$	\$
CURRENT		
Trade and other receivables	66,824	136,820

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements For the Half Year Ended 31 December 2014

4 Financial assets

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Financial assets at fair value through profit or loss	3,698,938	4,349,657
Held-to-maturity securities	1,040,071	-
	4,739,009	4,349,657

Financial assets at fair value through profit or loss consists of Investments in public listed shares, Australian fixed interest and hybrid securities. The Australian fixed interest investments have no restrictions placed on them and can be converted into cash as and when required. The carrying value of these investments is based on their market value as at 31 December 2014 and 30 June 2014.

5 Issued Capital

	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	Shares No	Shared No	Shares \$	Shares \$
1 July opening balance	355,148,122	241,989,274	23,785,514	13,888,590
Ordinary share issue	245,107	113,158,848	20,833	10,323,159
Capital raising cost	-	-	-	(426,235)
	355,393,229	355,148,122	23,806,347	23,785,514

On 24 November 2014 the Group issued 12,000,000 shares and on 28 November 2014 the Group issued an additional 2,000,000 shares under the OncoSil Medical employee share plan, following shareholder approval obtained on 11 November 2014. The shares were funded by a limited resource loan. The share issue has not been recognised as issued capital and has been treated as share option issue in accordance with accounting standard, AASB 2 - Share Based Payments.

6 R&D Income Tax Credit

The Company has received a refundable tax credit under the Federal Government's Research and Development (R&D) Tax Incentive program. For the year ended 30 June 2014 the R&D Tax incentive allows companies with under \$20million in turnover access to a 45% refundable credit on eligible R&D related expenditure incurred during that year.

7 Dividends

There were no dividends declared or paid in the current or previous financial half year.

8 Contingencies

The Company did not have any contingencies at 31 December 2014 (31 December 2013: None).

9 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for the fact that Mr. Daniel Kenny commenced as Chief Executive Officer and Managing Director on 5 January 2015 and in February 2015 a further R&D tax incentive refund of \$1.5 million was received by the Company. This related to the expenses incurred in the year ended 30 June 2014.

OncoSil Medical Limited and its controlled entities

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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes for the half year ended 31 December 2014, as set out on pages 4 to 8 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and the requirements of the Corporations Regulations 2001 (Cth); and
 - (b) give a true and fair view of the consolidated group's financial position as at and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director

Dr Roger Aston

Dated this26..... day ofFebruary..... 2015

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ONCOSIL MEDICAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OncoSil Medical Ltd and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss, consolidated statement of changes in equity and the consolidated 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.

Directors' Responsibility for the Financial Report

The Directors of OncoSil Medical Ltd 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 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*, 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 financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of OncoSil Medical Ltd and its controlled entities' financial position as at 31 December 2014 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 OncoSil Medical Ltd and its controlled entities, 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 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*.

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 OncoSil Medical Ltd and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Crowe Horwath Perth



Cyrus Patell
Partner

Signed at Perth, 26th of February 2015