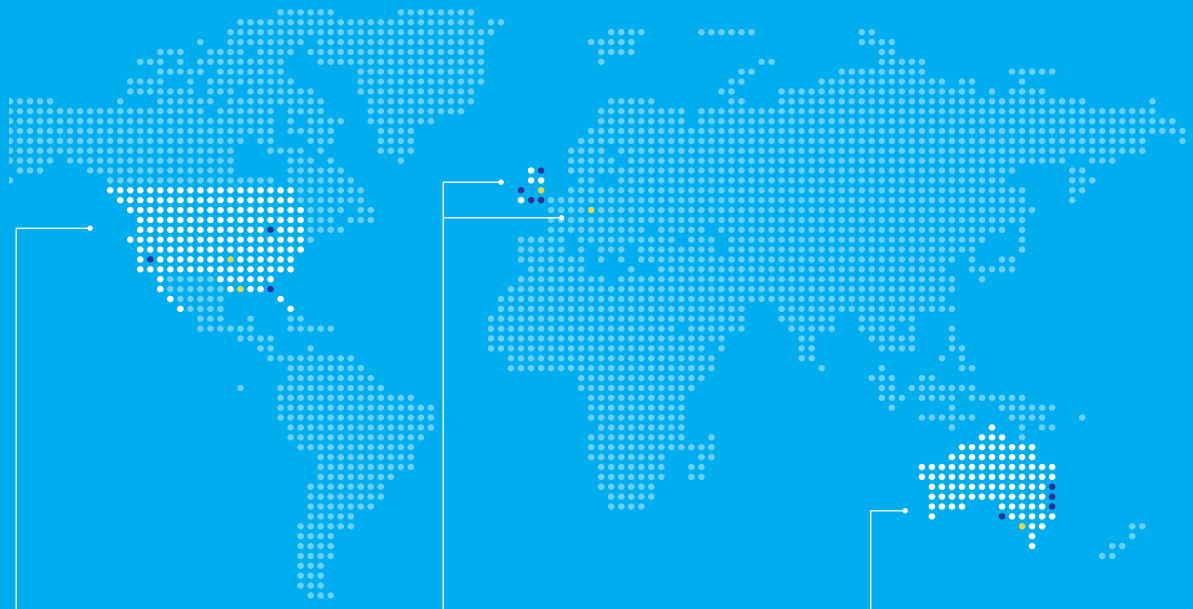
oncosil
MEDICAL

Annual Report 2017

ABOUT ONCOSIL™

Oncosil Medical Limited (OSL) has developed a new technology – Oncosil™ comprised of Phosphorous-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.



United States

MD Anderson Cancer Center
*lead study centre

John Hopkins University Hospital

Moffitt Cancer Center

Northwestern Memorial Hospital

Cedars-Sinai Hospital

United Kingdom

Guy's and St Thomas' Hospital
*lead study centre

University of Leicester

Hammersmith Hospital

Addenbrookes Hospital

Royal Liverpool Hospital

Belgium

The Institute Jules Bordet
*lead study centre

Australia

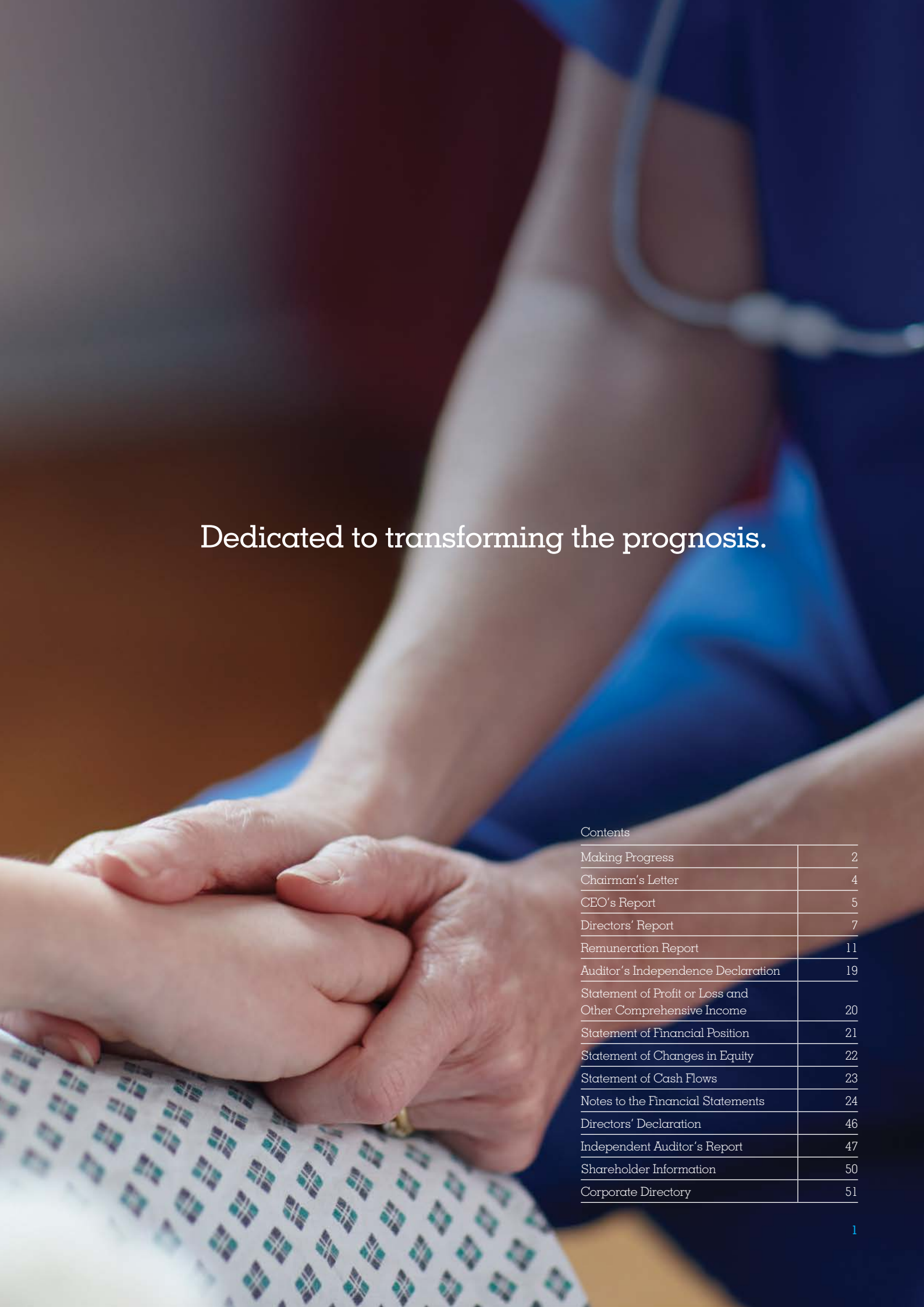
Monash Health
*lead study centre

St. Vincent's Hospital

Westmead Hospital

Royal North Shore Hospital

Royal Adelaide Hospital



Dedicated to transforming the prognosis.

Contents

MAKING PROGRESS

2017 has been a year of significant achievements.

29 July, 2016

OncoSil Medical receives IDE approval from the US FDA to conduct a clinical study

28 November, 2016

Lead trial sites confirmed for pancreatic clinical study programme in US, UK and Australia

8 February, 2017

MHRA approves commencement of pancreatic clinical study programme in UK

28 February, 2017

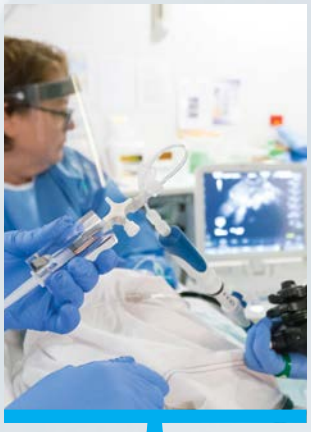
Dr Martin Cross appointed Non-Executive Director

27 March, 2017

First subject enrolled for global pancreatic cancer trial by Monash Medical Centre, Melbourne

24 April, 2017

First patient implanted with OncoSil™ device at Monash Medical Centre, Melbourne



14 April, 2017

IRB approval received from MD Anderson Cancer Center

31 March, 2017

UK Central Ethics approval received

20 April, 2017

Independent pharmaceutical company Specialised Therapeutics Australia (STA) provision of chemotherapy Nab-Paclitaxel (Abraxane)

3 May, 2017

Dr Chris Roberts AO, appointed as OncoSil Chair

10 May, 2017

Second patient enrolled at Monash Medical Centre, Melbourne

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the OncoSil Medical Board, and as your newly appointed Chairman, I am pleased to present our 2016-2017 Annual Report to you.

The past year has been an important one for the company, with steady progress made in our global pancreatic cancer study. We are pleased to have made significant strides in advancing OncoSil™ technology toward commercialisation, and are encouraged by the engagement to date by participant trial sites, practitioners, as well as industry partners who have contributed their support.

My career in the medical innovations space has been defined by working with technologies that make a valuable difference in patient's lives, ensuring wide impact through global commercialisation. Similar to other companies I have led, I am incredibly excited by the potential of OncoSil Medical as it progresses towards achieving CE Marking and other regulatory approvals in the future.

Pancreatic cancer is a target of significant unmet need, with a prognosis that is typically discouraging, even with the aid of targeted therapy. Across the markets of our intended approvals, there are on average 85,000 new cases of pancreatic cancer in the EU each year, 45,000 in the US, and 3,350 in Australia. Current treatment options are limited for patients, and this reality drives our company's goal of delivering targeted therapy directly to tumours to improve patients' quality of life and aid in the restoration of their health.

In February, the British Standards Institution (BSI) indicated that certification will be contingent on the provision of supplemental data from 20 patients involved in our global trial; this is consistent with the compulsory data requested from the FDA.

Since then we have made solid progress with numerous ethics approvals in our global study, activation of sites across Australia, UK and US, recruitment of patients, and implantation procedures successfully completed.

The year ahead will be pivotal for OncoSil Medical, and I am confident in the ability of our management team to deliver on impending milestones. 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. I would also like to thank our shareholders for their continued support.

Lastly, I would also like extend my appreciation to the many dedicated practitioners and patients involved in our important global study.

OncoSil™ is a truly innovative device with the potential to transform the treatment of pancreatic cancer. I look forward to the successes of the upcoming year, and continuing our purposeful work to make a positive impact on those affected by cancer.

Sincerely,

Dr Chris Roberts, AO
Chairman

CEO'S REPORT

OncoSil Medical has progressed significantly over the past year, with key advancements made in our global pancreatic study as we work toward receiving CE Marking and the first commercialisation of our technology.

I am proud to lead a talented management team that are committed to making a difference in the lives of people living with cancer, and have the upmost confidence in the team's current composition, skills and ability to deliver on all milestones ahead.

In May, we were pleased to announce that Dr Chris Roberts, AO would be stepping into the role of Non-Executive Chairman, extending his involvement in the company's overall direction. We were also pleased to welcome Dr Martin Cross to our Board as a Non-Executive Director.

Both individuals are highly regarded pharmaceutical executives, and bring valuable industry experience to the OncoSil Medical team at this critical time in the company's development.

CE Mark

In February, BSI indicated OncoSil™ would be approved for CE Marking contingent on supplemental data being provided from 20 patients with locally advanced pancreatic cancer, a condition which is consistent with the request from the US FDA.

This supplemental data will support the existing safety and clinical performance data already reviewed, and we have made steady progress with patient recruitment and activation of multiple global sites to achieve this requirement.

"I am proud to lead a talented management team that are committed to making a difference in the lives of people living with cancer..."

CEO'S REPORT CONTINUED

Global Pancreatic Clinical Study Programme

It has been a busy 12 months for our team following initiation of our global pancreatic clinical study programme. After announcing participation of multiple renowned cancer centres in our global study, in February, we received first ethics approvals to commence patient recruitment at Monash Health in Melbourne.

By June 30th, a total of 13 subjects had been recruited for the global clinical study in pancreatic cancer out of a total of 20 subjects required to meet the supplemental data request to secure CE Marking. 10 prestigious cancer centres across Australia, UK and the US are now active and recruiting subjects. To date 10 patients have been implanted with the OncoSil™ device.

While recruitment for our study is a complex process that takes time, we are impressed by the efforts of our trial centres and lead investigators thus far. Once enrolment is full, and data is provided, this positions us well to receive CE Marking shortly thereafter.

Financial Position

In terms of financial activity, the cash outflow from operations for the year was $6.1m, resulting in a cash balance as at 30 June 2017 of $8.0m.

Given the considerable achievements OncoSil Medical has made over the last year, I am looking forward to the 2017-2018 year ahead for our Company as we continue to advance commercialisation of our important technology.

Yours Sincerely,

D. Kenny

Daniel Kenny
CEO
OncoSil Medical

DIRECTORS' REPORT

OncoSil Medical Ltd
Directors' report
30 June 2017

The directors present their report 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 2017.

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 - Non-Executive Chairman (appointed as Chairman on 8 May 2017)
Mr Daniel Kenny - Chief Executive Officer and Managing Director
Dr Roger Aston - Non-Executive Director (resigned as Chairman on 8 May 2017)
Dr Martin Cross - Non-Executive Director (appointed on 28 February 2017)
Mr Martin Rogers - Non-Executive Director (resigned on 18 October 2016)

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 is a highly experienced director and senior executive with over 40 years' experience in the medical innovation space. He was CEO/President of Cochlear Limited (ASX: COH) from February 2004 to August 2015. Dr Roberts was also previously 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. Dr Roberts is a PLuS Alliance Professor appointed across 3 universities: UNSW, King's College London and Arizona State University. Dr Roberts 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, O'Connell Street Associates and the NHMRC's Health Innovation Advisory Committee.
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:	10,000,000 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 31 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:	26,000,000 ordinary shares

DIRECTORS' REPORT CONTINUED

OncoSil Medical Ltd
Directors' report
30 June 2017

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:	Regeneus Ltd (ASX: RGS), Immuron Ltd (ASX: IMC), ResApp Health Ltd (ASX: RAP), PharmAust Ltd (ASX: PAA) and its subsidiary Pitney Pharmaceuticals Pty Ltd
Former directorships (last 3 years):	Polynovo Limited (ASX: PNV) (resigned on 10 September 2014)
Special responsibilities:	Member of the Nomination and Remuneration and Chairman of the Audit and Risk Committees
Interests in shares:	13,016,547 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 30 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:	None
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:	1,000,000 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 and Peter Casey acted as an Alternate Company Secretary. Peter Casey resigned on 25 July 2017.

Mr Milicevic (B.Comm (Western Sydney), FCPA, MBA, MGSM), is an experienced commercial, financial and management accountant with more than 21 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.

Mr Casey (B.A majoring in Accounting (Macquarie), CA, MAICD) is a highly successful senior finance executive and has significant financial expertise and experience, including extensive company secretarial knowledge. Mr Casey has worked for a private investment group as a senior finance executive with a wide range of duties, for more than 21 years. His responsibilities over this time have included financial reporting, governance compliance, in addition to serving as a Company Secretary throughout that period.

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 $7,016,079 (30 June 2016: $4,768,598).

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 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 Company's primary focus has to been to advance its OncoPac clinical study program by engaging global trial sites, achieving their necessary approvals and activation, and recruiting patients to secure the supplemental data from 20 subjects, as required from BSI for CE Mark approval.

The key developments in these activities and other highlights for 2017 are as follows;

Operational

During the financial year, BSI indicated that OncoSil™ would be approved for CE Mark certification contingent on the provision of supplemental data from 20 patients with locally advanced pancreatic cancer as well as the undertaking of a Post Marketing Clinical follow-up program.

Supplemental data required will support the existing safety and clinical performance data already reviewed, and the Company has made significant progress toward achieving this data requirement over the last 12 months.

Until recently, the FDA had specified similar conditions of safety data from 20 US patients implanted with OncoSil™. On July 11, the FDA confirmed that data from 10 patients in recognised non-US centres would now be eligible for inclusion. This will allow the Company to meet the necessary requirements in a quicker timeframe, with greater flexibility and at a lower cost, and recognises the high-quality centres we are working with outside the US.

The Company has been pleased with the support of external partners over the last 12 months, including Specialised Therapeutics Australia (STA) which is providing subsidised ABRAXANE to all Australian sites participating in the Company's global study. A supply contract has also been signed with the Australian Nuclear Science and Technology Organisation (ANSTO) covering the production of isotope critical in the manufacture of OncoSil™ Microparticles.

In addition, the Company also established an R&D laboratory with CSIRO & Fledge Innovation Labs, located within CSIRO site at West Linfield, Sydney which will be used as a hub for Company research and late-stage development work moving forward.

Clinical

The Company is currently working with 16 highly prestigious cancer centers in key commercialisation geographies including the United States, United Kingdom, and Australia.

Following the receipt of ethics approvals, at year end, 10 of these centers have been activated and are currently recruiting subjects. The centers include:

DIRECTORS' REPORT CONTINUED

OncoSil Medical Ltd
Directors' report
30 June 2017

USA	Moffitt Cancer Center, Tampa, Florida
USA	MD Anderson Cancer Center, Houston, Texas
UK	University of Leicester, Leicester
UK	Hammersmith Hospital, London
UK	Guy's & St Thomas' NHS Foundation Trust, London
Australia	Westmead Hospital, NSW
Australia	Royal Adelaide Hospital, SA
Australia	Corrimal Cancer Care Clinic, NSW
Australia	St Vincent's Hospital Sydney, NSW
Australia	Monash Health, Vic

An additional 5 centers have also received ethics approvals and we anticipate their activation, as well as the inclusion of new centers, over the coming months.

In March, we announced first patient recruitment at Monash Health, our lead Australian site. As of 22 August, a total of 18 subjects have now been recruited in the study, with 5 of these subjects implanted with OncoSil™ following the initial 4-week chemotherapy course. An additional subject has been implanted with OncoSil™ under a compassionate access program.

We look forward to securing data from all 20 subjects, and submitting for review.

Corporate
The Company was pleased to appoint Dr. Chris Roberts, AO to the role of Non-Executive Chairman in May, following his contribution as a Non-Executive Director since January 2016. Dr. Roberts is a well-regarded director and senior executive with over 40 years' experience in the development and commercialisation of medical technologies.

Dr. Roger Aston will continue his involvement with the company as a Non-Executive Director alongside the newly appointed Non-Executive Director, Dr. Martin Cross.

Future developments and results
The Board of OncoSil Medical 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 2017 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.

REMUNERATION REPORT

OncoSil Medical Ltd
Directors' report
30 June 2017

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 2017, 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	7	7	1	1	2	2
Mr Daniel Kenny	7	7	1	1	2	2
Dr Roger Aston	7	7	1	1	2	2
Dr Martin Cross	3	3	1	1	-	-
Mr Martin Rogers *	2	2	-	-	1	1

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

* Mr Rogers resigned on 18 October 2016.

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.

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.

REMUNERATION REPORT CONTINUED

OncoSil Medical Ltd
Directors' report
30 June 2017

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 2017.

Consolidated entity 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 2017, the Group did not engage the use of remuneration consultants.

Voting and comments made at the Company's 2016 Annual General Meeting ('AGM')
At the 2016 AGM, less than 2% voted against the adoption of the remuneration report for the year ended 30 June 2016. 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		
2017	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 (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

REMUNERATION REPORT CONTINUED

OncoSil Medical Ltd
Directors' report
30 June 2017

* 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.

Threre 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.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2016	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled options $	Equity-settled shares $	Total $
Non-Executive Directors:								
Dr Roger Aston (chairman)	102,740	-	-	9,760	-	-	33,332	145,832
Mr Martin Rogers **	79,992	-	-	7,392	-	74,135	78,991	240,510
Dr Chris Roberts **	35,191	-	-	-	-	-	29,063	64,254
Executive Directors:								
Mr Daniel Kenny	319,078	75,000	-	30,312	-	-	228,688	653,078
Other Key Management Personnel:								
Mr Tom Milicevic *	170,125	30,170	-	16,162	-	-	96,667	313,124
	707,126	105,170	-	63,626	-	74,135	466,741	1,416,798

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

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2017	2016	2017	2016	2017	2016
Non-Executive Directors:						
Dr Roger Aston	78%	77%	-	-	22%	23%
Mr Martin Rogers	9%	36%	-	-	91%	64%
Dr Chris Roberts	28%	55%	-	-	72%	45%
Dr Martin Cross	100%	-	-	-	-	-
Executive Directors:						
Mr Daniel Kenny	42%	54%	13%	11%	45%	35%
Other Key Management Personnel:						
Mr Tom Milicevic	67%	59%	12%	10%	21%	31%

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

Name	Cash bonus paid/payable 2017	Cash bonus paid/payable 2016	Cash bonus forfeited 2017	Cash bonus forfeited 2016
Executive Directors:				
Mr Daniel Kenny	70%	75%	30%	25%
Other Key Management Personnel:				
Mr Tom Milicevic	75%	70%	25%	30%

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 2017 of $410,000 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 2017 of $254,300 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 2017.

REMUNERATION REPORT CONTINUED

OncoSil Medical Ltd
Directors' report
30 June 2017

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
Daniel Kenny	14,000,000	10/05/2016	10/05/2021	$0.22	$0.104
	12,000,000	28/11/2014	28/11/2017	$0.13	$0.047
Roger Aston	1,000,000	28/11/2014	28/11/2017	$0.13	$0.047
	500,000	28/11/2014	31/12/2019	$0.18	$0.056
	500,000	28/11/2014	28/11/2016	$0.13	$0.059
Chris Roberts	10,000,000	10/05/2016	10/05/2021	$0.22	$0.104
Tom Milicevic	5,000,000	13/01/2016	13/01/2019	$0.13	$0.081

The number of options over ordinary shares vested and exercised by directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Number of options granted during the year 2017	Number of options exercised during the year 2017	Value of options exercised during the year 2017
Mr Martin Rogers	-	19,000,000	950,000

Additional information
The earnings of the Group for the five years to 30 June 2017 are summarised below:

	2013 $	2014 $	2015 $	2016 $	2017 $
Revenue/income	87,711	619,848	3,028,014	4,141,691	3,721,582
Loss after income tax	(879,168)	(6,864,829)	(2,879,031)	(4,768,598)	(7,016,079)

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

	2013	2014	2015	2016	2017
Share price at financial year end ($)	0.04	0.10	0.10	0.14	0.10
Basic earnings per share (cents per share)	(0.70)	(1.40)	(0.81)	(1.23)	(1.49)

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	-	-	-	13,016,547
Mr Daniel Kenny	26,000,000	-	-	-	26,000,000
Mr Martin Rogers *	10,312,532	-	-	(10,312,532)	-
Dr Chris Roberts	10,000,000	-	-	-	10,000,000
Dr Martin Cross	-	-	1,000,000	-	1,000,000
Mr Tom Milicevic	5,000,000	-	55,000	-	5,055,000
	64,329,079	-	1,055,000	(10,312,532)	55,071,547

* Disposals/other - represents the holding at the time of ceasing to be a KMP within the consolidated entity and not necessarily actual disposed.

Option holding
The number of options over ordinary 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	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Martin Rogers	19,000,000	-	(19,000,000)	-	-
	19,000,000	-	(19,000,000)	-	-

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.

Shares issued on the exercise of options
The following ordinary shares of OncoSil Medical Ltd were issued during the year ended 30 June 2017 and up to the date of this report on the exercise of options granted:

Date options exercised	Exercise price	Number of shares issued
12 May 2017	$0.05	19,000,000

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.

DIRECTORS' REPORT

OncoSil Medical Ltd
Directors' report
30 June 2017

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
Non-Executive Chairman

24 August 2017
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

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

Audit and Assurance Services

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24 August 2017

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

Dear Board Members

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 2017, 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

CROWE HORWATH SYDNEY

Haydon

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 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue			
Other income	5	3,721,582	4,141,691
Expenses			
Employee benefits expense	6	(4,461,551)	(3,267,204)
Research and development expenses		(3,955,876)	(3,341,008)
Occupancy expenses		(206,265)	(366,259)
Consulting, finance and legal expenses		(510,797)	(778,843)
Net gain/(loss)on financial assets at fair value through profit or loss		166,261	(26,918)
Net loss on disposal of assets		(94,218)	(10,635)
Share-based payments		(1,389,772)	(808,703)
Other administrative expenses		(285,443)	(310,719)
Loss before income tax expense		(7,016,079)	(4,768,598)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of OncoSil Medical Ltd		(7,016,079)	(4,768,598)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		460	(79,148)
Other comprehensive income for the year, net of tax		460	(79,148)
Total comprehensive income for the year attributable to the owners of OncoSil Medical Ltd		(7,015,619)	(4,847,746)
		Cents	**Cents**
Basic earnings per share	26	(1.49)	(1.23)
Diluted earnings per share	26	(1.49)	(1.23)

STATEMENT OF FINANCIAL POSITION

OncoSil Medical Ltd
Statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	8	8,000,618	9,780,326
Trade and other receivables	9	3,529,388	2,627,943
Financial assets at fair value through profit or loss	10	-	3,258,787
Other	11	159,399	138,199
Total current assets		11,689,405	15,805,255
Non-current assets			
Plant and equipment		115,471	91,713
Total non-current assets		115,471	91,713
Total assets		11,804,876	15,896,968
Liabilities			
Current liabilities			
Trade and other payables	12	1,524,275	967,886
Employee benefits		145,792	118,426
Total current liabilities		1,670,067	1,086,312
Total liabilities		1,670,067	1,086,312
Net assets		10,134,809	14,810,656
Equity			
Issued capital	13	36,644,596	35,694,596
Reserves	14	3,986,430	2,596,198
Accumulated losses		(30,496,217)	(23,480,138)
Total equity		10,134,809	14,810,656

STATEMENT OF CHANGES IN EQUITY

OncoSil Medical Ltd
Statement of changes in equity
For the year ended 30 June 2017

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2015	23,806,347	1,866,643	(18,711,540)	6,961,450
Loss after income tax expense for the year	-	-	(4,768,598)	(4,768,598)
Other comprehensive income for the year, net of tax	-	(79,148)	-	(79,148)
Total comprehensive income for the year	-	(79,148)	(4,768,598)	(4,847,746)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 13)	11,888,249	-	-	11,888,249
Share-based payments (note 27)	-	808,703	-	808,703
Balance at 30 June 2016	35,694,596	2,596,198	(23,480,138)	14,810,656

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 13)	950,000	-	-	950,000
Share-based payments (note 27)	-	1,389,772	-	1,389,772
Balance at 30 June 2017	36,644,596	3,986,430	(30,496,217)	10,134,809

STATEMENT OF CASH FLOWS

OncoSil Medical Ltd
Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		(8,648,615)	(6,378,031)
Dividends received		17,937	112,012
Interest received		223,387	158,007
Research and development tax incentive		2,297,446	1,535,444
Net cash used in operating activities	25	(6,109,845)	(4,572,568)
Cash flows from investing activities			
Payments for property, plant and equipment		(52,890)	(57,981)
Proceeds from disposal of listed securities		3,433,027	-
Net cash from/(used in) investing activities		3,380,137	(57,981)
Cash flows from financing activities			
Proceeds from issue of shares	13	950,000	12,390,000
Share issue transaction costs	13	-	(501,751)
Net cash from financing activities		950,000	11,888,249
Net increase/(decrease) in cash and cash equivalents		(1,779,708)	7,257,700
Cash and cash equivalents at the beginning of the financial year		9,780,326	2,522,626
Cash and cash equivalents at the end of the financial year	8	8,000,618	9,780,326

NOTES TO THE FINANCIAL STATEMENTS

OncoSil Medical Ltd
Notes to the financial statements
30 June 2017

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 half-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 24 August 2017. 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 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OncoSil Medical Ltd as at 30 June 2017 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 CONTINUED

OncoSil Medical Ltd
Notes to the financial statements
30 June 2017

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 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 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 2017. 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 guidance 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. It is not expected to significantly impact the financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

OncoSil Medical Ltd
Notes to the financial statements
30 June 2017

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.

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.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

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 2017 $	Consolidated 2016 $
Research and development tax incentive	3,446,185	3,832,889
Dividends	17,937	112,012
Interest	223,387	158,007
Net (loss)/gain on foreign exchange	(34,183)	34,250
Other income	68,256	4,533
Other income	3,721,582	4,141,691

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 costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. The proportion of the incentive that relates to capitalised research and development expenditure is deducted against the carrying amount of the related non-current assets. Any remaining proportion that cannot be recognised on either of the preceding basis is recognised 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.

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Note 6. Expenses

	Consolidated 2017 $	Consolidated 2016 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Office equipment	29,132	21,357
Employee benefits (excluding share-based payments)		
Employee benefits	4,103,620	3,072,133
Defined contribution superannuation expense	357,931	195,071
Total employee benefits expense	4,461,551	3,267,204
Rental expense relating to operating leases		
Minimum lease payments	179,417	342,547

Note 7. Income tax

	Consolidated 2017 $	Consolidated 2016 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,016,079)	(4,768,598)
Tax at the statutory tax rate of 27.5% (2016: 30%)	(1,929,422)	(1,430,579)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development - write back	1,225,092	706,965
Share-based payments	382,187	242,611
Others	30,951	107,480
Future income tax benefit not brought to account	158,758	373,523
Impact of tax rate change	132,434	-
Income tax expense	-	-

	Consolidated 2017 $	Consolidated 2016 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	6,356,239	5,297,360
Potential tax benefit @ 27.5% (2016: 30%)	1,747,966	1,589,208

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 2017 $	Consolidated 2016 $
Cash at bank	7,890,618	9,673,276
Cash on deposit	110,000	107,050
	8,000,618	9,780,326

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 2017 $	Consolidated 2016 $
Other receivables	83,203	330,497
Research and development tax incentive receivable	3,446,185	2,297,446
	3,529,388	2,627,943

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

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Note 10. Current assets - financial assets at fair value through profit or loss

	Consolidated 2017 $	Consolidated 2016 $
Listed shares - designated at fair value through profit or loss	-	3,258,787

Reconciliation
Reconciliation of the fair values at the beginning and end of the current financial year is set out below:

Opening fair value	3,258,787	3,597,675
Fair value movement	(126,944)	(37,704)
Disposals	(3,131,843)	(301,184)
Closing fair value	-	3,258,787

Refer to note 17 for further information on fair value measurement.

Accounting policy for investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised at fair value through profit or loss. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Note 11. Current assets - other

	Consolidated 2017 $	Consolidated 2016 $
Prepayments	90,145	68,945
Other deposits	69,254	69,254
	159,399	138,199

Note 12. Current liabilities - trade and other payables

	Consolidated 2017 $	Consolidated 2016 $
Trade payables	901,276	216,698
Payroll liabilities	597,950	662,961
Other payables	25,049	88,227
	1,524,275	967,886

Refer to note 16 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 13. Equity - issued capital

	Consolidated 2017 Shares	Consolidated 2016 Shares	Consolidated 2017 $	Consolidated 2016 $
Ordinary shares - fully paid	487,455,468	464,455,468	36,644,596	35,694,596

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2015	356,162,460		23,806,347
Options exercised	8 October 2015	1,250,000	$0.05	62,500
Employee loan shares issued	8 October 2015	2,307,693	$0.00	-
Employee loan shares exercised		-	$0.00	975,000
Shares buy-back	14 December 2015	(6,000,000)	$0.00	-
Employee loan shares issued	13 January 2016	14,230,769	$0.00	-
Options exercised	21 January 2016	500,000	$0.05	25,000
Placement issue of shares	10 February 2016	45,454,546	$0.22	10,000,000
Options exercised	10 February 2016	8,000,000	$0.05	400,000
Options exercised	15 April 2016	250,000	$0.05	12,500
Employee loan shares issued	10 May 2016	24,000,000	$0.00	-
Options exercised	13 May 2016	8,000,000	$0.05	400,000
Options exercised	30 June 2016	10,300,000	$0.05	515,000
Transaction cost		-	$0.00	(501,751)
Balance	30 June 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

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.

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Note 13. Equity - issued capital (continued)

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 2016 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 14. Equity - reserves

	Consolidated 2017 $	Consolidated 2016 $
Foreign currency reserve	(78,688)	(79,148)
Share-based payments reserve	4,065,118	2,675,346
	3,986,430	2,596,198

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.

Note 14. 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 2015	-	1,866,643	1,866,643
Foreign currency translation	(79,148)	-	(79,148)
Share-based payments	-	808,703	808,703
Balance at 30 June 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

Note 15. Equity - dividends

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

Note 16. 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.

The fair value of the Group's investments as at the end of comparative period are detailed in note 10.

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 (2016: 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.

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Note 16. Financial instruments (continued)

	Basis points increase			Basis points decrease		
Consolidated - 2017	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	80,006	(100)	80,006	80,006

	Basis points increase			Basis points decrease		
Consolidated - 2016	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	97,803	97,803	(100)	97,803	97,803

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 - 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

Note 16. Financial instruments (continued)

Consolidated - 2016	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	216,698	-	-	-	216,698
Payroll liabilities	662,961	-	-	-	662,961
Other payables	88,227	-	-	-	88,227
Total non-derivatives	967,886	-	-	-	967,886

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

Note 17. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss - investments	3,258,787	-	-	3,258,787
Total assets	3,258,787	-	-	3,258,787

There were no transfers between levels during the financial year.

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.

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Note 18. 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 2017 $	Consolidated 2016 $
Short-term employee benefits	1,090,066	812,296
Post-employment benefits	76,932	63,626
Share-based payments	1,089,401	540,876
	2,256,399	1,416,798

Note 19. 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 2017 $	Consolidated 2016 $
Audit services - Crowe Horwath Sydney		
Audit or review of the financial statements	45,000	35,500

Note 20. 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.

Note 20. 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 2017.

Note 21. Commitments

	Consolidated 2017 $	Consolidated 2016 $
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	350,185	481,504
	481,504	612,823

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 22. Related party transactions

Parent entity
OncoSil Medical Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

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Note 22. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

Transactions with related parties
Payment of Director's fees to Dr Chris Roberts, were made to his director-related entity, Robertsplan Pty Ltd during the financial year of $80,000 (2016: $35,191).

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 $27,889 (2016: $87,384).

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 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2017 $	2016 $
Loss after income tax	(6,756,309)	(4,568,728)
Total comprehensive income	(6,756,309)	(4,568,728)

Statement of financial position

	Parent	
	2017 $	2016 $
Total current assets	12,266,486	16,130,302
Total assets	12,381,957	16,222,015
Total current liabilities	1,660,120	1,083,641
Total liabilities	1,660,120	1,083,641
Equity		
Issued capital	36,644,596	35,694,596
Share-based payments reserve	4,065,118	2,675,346
Accumulated losses	(29,987,877)	(23,231,568)
Total equity	10,721,837	15,138,374

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 2017 and 30 June 2016.

Note 23. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

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 24. 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	2017 %	2016 %
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 25. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2017 $	2016 $
Loss after income tax expense for the year	(7,016,079)	(4,768,598)
Adjustments for:		
Depreciation and amortisation	29,132	21,357
Share-based payments	1,389,772	808,703
Foreign exchange differences	460	(79,148)
(Gain)/loss on financial assets at fair value through profit or loss	(166,261)	26,918
Loss on disposal of assets	94,218	10,635
Change in operating assets and liabilities:		
Increase in other operating assets	(1,024,842)	(1,222,414)
Increase in trade and other payables	556,389	576,738
Increase in employee benefits	27,366	53,241
Net cash used in operating activities	(6,109,845)	(4,572,568)

Note 26. Earnings per share

	Consolidated	
	2017 $	2016 $
Loss after income tax attributable to the owners of OncoSil Medical Ltd	(7,016,079)	(4,768,598)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

OncoSil Medical Ltd
Notes to the financial statements
30 June 2017

Note 26. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	470,597,934	387,676,751
Weighted average number of ordinary shares used in calculating diluted earnings per share	470,597,934	387,676,751

	Cents	Cents
Basic earnings per share	(1.49)	(1.23)
Diluted earnings per share	(1.49)	(1.23)

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 27. 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:

Note 27. Share-based payments (continued)

2017	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $	Vesting conditions
Granted 12 August 2016 (a)	4,000,000	12/08/2016	30/06/2021	0.22	0.096	*

(a) Employees were issued 4,000,000 shares 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.

2016	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $	Vesting conditions
Granted 8 October 2015 (a)	2,307,683	8/10/2015	8/10/2018	0.13	0.102	*
Granted 13 January 2016 (b)	769,231	13/01/2016	13/01/2019	0.13	0.081	*
Granted 13 January 2016 (b)	14,230,769	13/01/2016	13/01/2019	0.13	0.081	*
Granted 10 May 2016 (c)	24,000,000	10/05/2016	10/05/2021	0.22	0.104	**

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

(b) 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.

(c) 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.

***** Various operational milestones and continuous employment with the company until the applicant reaches the 3rd 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

*** 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

OncoSil Medical Ltd
Notes to the financial statements
30 June 2017

Note 27. Share-based payments (continued)

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.

Set out below are summaries of options granted:

2017

Grant date	Vesting 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)	-	-

2016

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 have 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 $0.1185 (2016: $0.1675).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 11 months (2016: 1 year).

Share options were priced using a Black-Scholes 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
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	28/11/2017	$0.08	$0.13	109.80%	-	2.50%	$0.047
28/11/2014	31/12/2019	$0.08	$0.18	109.80%	-	2.50%	$0.056
28/11/2014	28/11/2016	$0.08	$0.13	109.80%	-	2.50%	$0.059

Note 27. Share-based payments (continued)

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.

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 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 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 2017

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 2017 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
Non-Executive Chairman

24 August 2017
Sydney

INDEPENDENT AUDITOR'S REPORT

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

Audit and Assurance Services

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Australia

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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 Group), which comprises the statement of financial position as at 30 June 2017, 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 the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2017 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 Group 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Crowe Horwath

Key Audit Matter	How we addressed the Key Audit Matter
Share based payments – Notes 14 and Note 27	
The Group's 'Employee Share Plan' is designed as an incentive for senior managers and key management personnel, including directors. The share based payments expense for the current year is $1.4m. We have identified this as significant area as share based payments results in a significant expense included in the statement of profit or loss and other comprehensive income and includes judgements in assessing the fair value. Share based payments also contribute a significant portion of the annual remuneration for the 'Key Management Personnel'.	We performed the following key procedures; ▪ Reviewed management calculations for share-based payments including areas of judgement in assessing fair value; ▪ Reviewed relevant terms and conditions and supporting issue documents; ▪ Reviewed underlying treatment in accordance with the requirements of AASB 2, including adequate disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, 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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, IFRS 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 Group 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 Group 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf . This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included as part of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of OncoSil Medical Ltd, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

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
Senior Partner

Dated at Sydney 24 August 2017

SHAREHOLDER INFORMATION

Oncosil Medical Ltd
The shareholder information set out below was applicable as at 11 September 2017.

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	93	0
1,001-5,000	232	0
5,001-10,000	401	0
10,001-100,000	1,468	0
100,001-9,999,999,999	518	0
Totals	**2,712**	**0**
Holding less than a marketable parcel	343	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	34,897,415	7.16%
WEBINVEST PTY LTD <OLSB UNIT A/C>	28,432,102	5.83%
MR DANIEL KENNY	26,000,000	5.33%
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	20,278,090	4.16%
BANNABY INVESTMENTS PTY LTD	19,000,000	3.90%
DENLIN NOMINEES PTY LTD	13,763,070	2.82%
ROJO NERO CAPITAL PTY LTD	11,250,000	2.31%
NEWTONMORE BIOSCIENCES PTY LTD	11,016,547	2.26%
MR CHRISTOPHER GRAHAM ROBERTS	10,000,000	2.05%
CITICORP NOMINEES PTY LIMITED	9,617,840	1.97%
WESTCAP PTY LTD	6,657,687	1.37%
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	6,000,000	1.23%
STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	5,312,532	1.09%
MR TOM MILICEVIC	5,000,000	1.03%
MR ASHISH SOMAN	5,000,000	1.03%
MR DAVID JAMES	5,000,000	1.03%
STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	5,000,000	1.03%
MR ADRIAN DARBY	4,999,001	1.03%
MR MICHAEL WARRENER	4,000,000	0.82%
J P MORGAN NOMINEES AUSTRALIA LIMITED	3,694,831	0.76%
	234,919,115	48.19%
Total of Securities	**487,455,468**	

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:

REGAL FUNDS MANAGEMENT PTY LIMITED	47,707,780	9.79%
WEBINVEST PTY LTD <OLSB UNIT A/C>	28,563,958	5.86%
MR DANIEL KENNY	26,000,000	5.33%

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

Company Secretary

Tom Milicevic CFO and Company Secretary

Registered Office

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Sydney NSW 2000

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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

Annual General Meeting

The **2017 AGM of OncoSil Medical Limited will be at 11.00am (AEST)** on Wednesday, **25 October 2017** at the offices of K&L Gates **Level 31, 1 O'Connell Street, Sydney,** NSW, 2000

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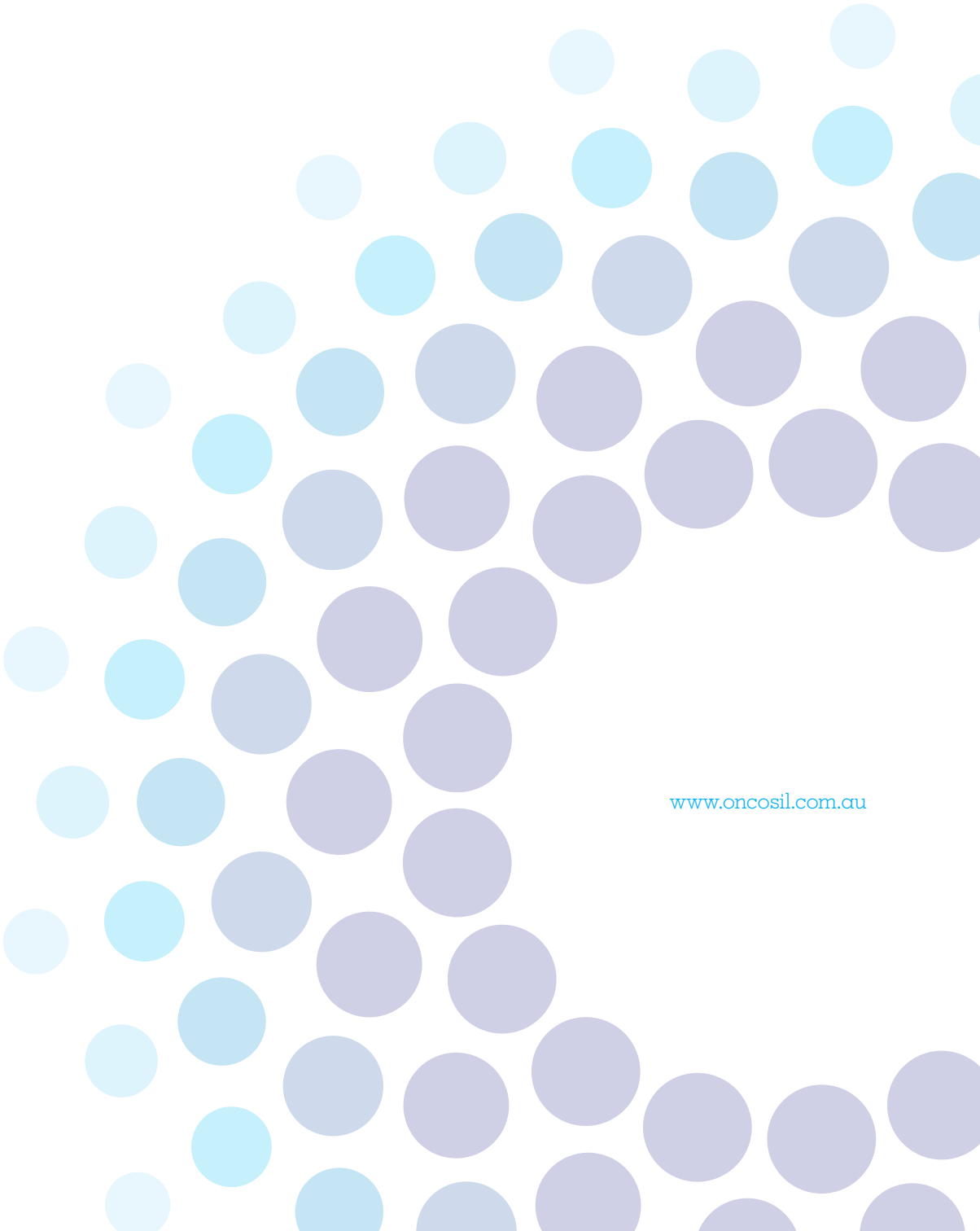

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