ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN: 34 067 964 621
AND IT'S CONTROLLED ENTITY

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

31 DECEMBER 2017

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

CONTENTS

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

DIRECTORS' REPORT

Your Directors present this report on the company and its controlled entity for the half year ended 31 December 2017.

DIRECTORS

The names of each person who has been a Director during the half year and to the date of this report are:

Professor John Gordon McVie - MD, FRCP, FRCPS, FRCSE, FMedSci, DSc (Hon)
Dr Philip Andrew Marshall - BSc (Hons), PhD, FRACI, CChem MAICD
Dr Kenneth Michael Wayte - DC

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

SUMMARY

This Report covers the major activities of the company from July to December 2017: Science & Technology, Business Development and Operations.

The Company currently has very limited financial resources and over the last 18 months has explored a number of potential capital raising opportunities. Our executive team has accepted a reduced remuneration while those fund raising efforts continue. The company cannot continue its technology research and development without adequate funding and securing funding remains a key priority of our company. The Board will keep shareholders updated on fund raising efforts.

Notwithstanding ORIL has made progress in its technology and the focus continues to be the treatment of cancers with a high, worldwide, unmet clinical need such as: lung, bowel, liver, pancreatic, breast and prostate cancers. Subject to funding, the R&D strategy will focus on the development of the new compounds such as ORIL019 for use in the new field of immuno-oncology.

1 SCIENCE & TECHNOLOGY

ORIL's major focus has continued to be the treatment of cancers with high unmet clinical need such as liver, lung, pancreatic, prostate, breast and bowel cancers.

Given the growing interest and success by pharma in immuno-oncology ORIL has recognized this change in the market and sharpened its focus to the development of its novel compounds to meet this demand. Initial data are encouraging but limited funds have made the development of this new and innovative technology difficult.

1.1 ORIL007 as a single agent

ORIL007 had been selected as the lead candidate for oncology based on a large number of criteria and studies that included in vitro and in vivo potency and efficacy studies, safety and toxicology profile, ease of manufacture for supply, physical and chemical properties for formulation and delivery.

A collaborative and lengthy study with experts based at the Translational Research Institute (TRI) at the University of Queensland commenced in 2016, to investigate the use of ORIL007 in a topical (dermal) product in animal models that closely mimic the clinic situation of skin cancers. The first study in treatment of non-melanoma skin cancers, (actinic keratoses/basal cell carcinoma), showed a positive benefit over the placebo.

REVIEW OF OPERATIONS (continued)

In the second study using the melanoma skin cancer model, in the onset groups there was a significant increase in size in the vehicle compared to ORIL007. There was a trend towards an increase in size in the prevention group for vehicle only compared to ORIL007, which was, however, not significant.

Efforts have since focused on the new 2nd generation compounds including ORIL019 (see 1.3 below).

The Overall R&D Strategy

During the long studies at the TRI, ORIL undertook parallel, investigative studies in the:

1. Use of ORIL007 in combination with other oncology agents
2. Design and development of new, innovative 2nd generation family of compounds including ORIL019
3. Investigation of the potential application of these new agents in the developing field of immuno-oncology

1.2 ORIL agents in combination therapy

Increasingly, combination therapy is the preferred choice in the treatment of cancer because optimal combination therapies have the potential to increase efficacy, reduce toxicity or both, and overall cost of treatment when compared with the equivalent monotherapy. The results (which were reported in the July Review of Operations) show positive combination outcomes with ORIL007 with other cancer agents.

	Breast (metastatic)	Breast (TN)	Colon	Lung	Prostate	Kidney
Cisplatin		**Synergy**	**Additive**		**Additive**	
Docetaxel	**Synergy**		**Additive**	**Additive**	**Additive**	
Doxorubicin	**Additive**	**Additive**	**Additive**			
5-FU			**Additive**			
Gemcitabine	**Synergy**	**Additive**	**Additive**	**Additive**		
Carboplatin				**Synergy**		
Sorafenib						**Synergy**

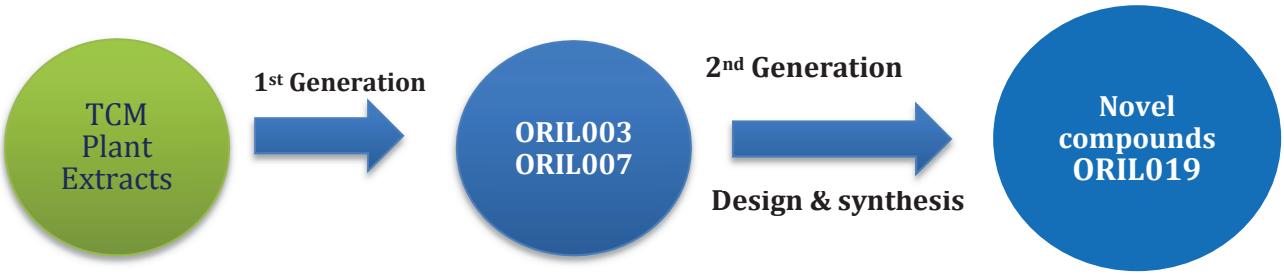
Synergy = the creation of a whole that is greater than the simple sum of its parts

Additive = effects are the simple sum of parts

REVIEW OF OPERATIONS (continued)

1.3 New chemical entities – the 2nd generation

Using the knowledge acquired from the medicinal chemistry studies of the earlier ORIL compounds, that is the naturally-occurring family of steroid saponins found in herbs and plants used in Traditional Chinese Medicine ORIL scientists designed and synthesized a new 2nd generation of novel chemical entities. This progression in ORIL technology development is illustrated in the diagram below.



The new compounds utilize ORIL's patented method of manufacture of the related steroid saponins and the majority of the CMC section of the IND is therefore applicable for the new agents such as ORIL019. They overcome some of the difficult physico-chemical properties of the naturally occurring compounds (e.g. ORIL003, ORIL007) such as their inherent poor water-solubility and still have potent anti-cancer activity. These compounds have a number of key features:

- ✓ **New chemical entities** with high-value composition of matter **patents** pending
- ✓ **Safe** and **potent** against cancer cells
- ✓ Immuno-potentiating for use in **immuno-oncology** in combination with other agents
- ✓ **Improved solubility** (e.g. **water soluble**)
- ✓ Potential to be administered as an **oral solid dose form** (e.g. powder, tablet capsule etc.)
- ✓ Other (commercially confidential) properties

Importantly these new compounds can potentiate the activity of current chemotherapies in the market and have the potential to enhance the action of immuno-oncology therapies (agents that stimulate the body's own immune system to fight cancer). Refer 1.4.2 below.

A provisional patent application to protect these new agents was filed in February 2017 and the PCT is due for filing in February 2018.

1.4 In immuno-oncology

1.4.1 The Immuno-oncology Market

Over the past few years, the majority of the multinational pharma companies have switched research and development focus to innovative immuno-oncology approaches that harness the natural power of the immune system to combat cancer. The charge has been led by antibodies against the receptor proteins/immuno checkpoints CTLA-4[1] and PD-1[2], which have seen the launches of a new class of compounds (known as checkpoint inhibitors) Ipilimumab (Yervoy, Bristol-Myers Squibb), Nivolumab (Opdivo, Bristol-Myers Squibb) and Pembrolizumab (Keytruda, Merck & Co) initially approved by the US FDA for melanoma and clinical trials for other cancers are underway.

[1] CTLA-4 = cytotoxic T-lymphocyte-associated protein 4
[2] PD -1 = programmed cell death protein 1

REVIEW OF OPERATIONS (continued)

However, not all tumour types respond solely to immuno-oncology (I-O) therapies and experts are now looking to combination therapies that include an immuno-oncology drug. It is expected that combinations will be crucial in extending immuno-oncology beyond a few cancers, and beyond certain patient subgroups. Combining numerous new and old approaches with anti-PD-1/PD-L1 agents is logical given that these antibodies are becoming standard treatment in certain populations within certain tumour types.

From 2015 to 2017 there has been an international explosion of clinical studies involving PD-1/PD-L1 in combination with all types of anti-cancer agents including other immune-oncology agents, chemotherapies, small molecules, therapeutics vaccines and cell therapies. Combination studies involving Merck & Co's anti-PD-1 Mab Pembrolizumab (Keytruda) have climbed from 70 to 268, and the drug has overtaken Bristol-Myers Squibb's Opdivo to stand currently as the most extensively combined PD-1/PD-L1 agent. Within the Keytruda total, a remarkable 88 trials involve combinations with small molecules. Given the speed with which immuno-oncology combination studies have proliferated, and the transformational, blockbuster potential of the anti-PD-(L)1 class, there is little to suggest a slowdown in this field.

The total value of all 10 ranked collaborations in **immunotherapy** is approximately US$26.233 billion, up 6% from US$24.687 billion six months ago.

1.4.2 Role of ORIL Technology in I-O

ORIL has already identified a naturally-occurring family of steroid saponins found in herbs and plants used in Traditional Chinese Medicine (TCM) which have first-in-class anti-cancer activity, a novel mode of action and which can potentiate the activity of current chemotherapies in the market. Their poor water-solubility, however, has restricted further development and translation into the clinic.

Based on the culmination of years of work and effort, ORIL has designed, synthesized and developed a number of new, 2nd generation, small molecules that overcome the limitations of the naturally occurring saponins. Importantly, these new generation ORIL compounds have the potential to enhance the action of immuno-oncology therapies currently in the market. They present a number of key features:

- Small, water-soluble molecules
- Novel synthesis of key intermediate with patent position
- Immune potentiator/modulator
- Adjuvant potential
- Well tolerated when administered via oral and parenteral routes

While naturally occurring saponins have a history of use as immuno-modulators for immunotherapies and saponin-based adjuvants have the ability to modulate the cell mediated immune system and to enhance antibody response, their poor water-solubility and toxicity have limited their clinical use.

REVIEW OF OPERATIONS (continued)

The following graphs show the new generation novel ORIL compounds retain the anti-cancer activity of earlier ORIL compounds (Figure 1, as expressed as inhibition of cancer cell growth) while presenting decreased haemolytic activity (Figure 2), a favourable indicator of safety, when compared to a commercial saponin derived from Quillaja.

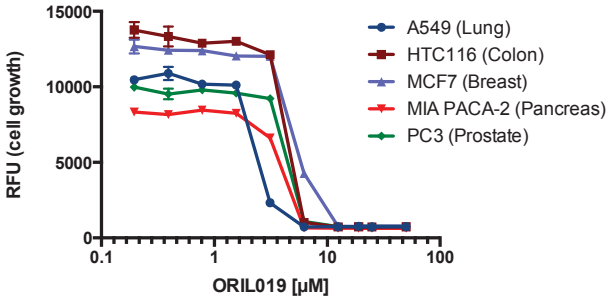


Figure 1

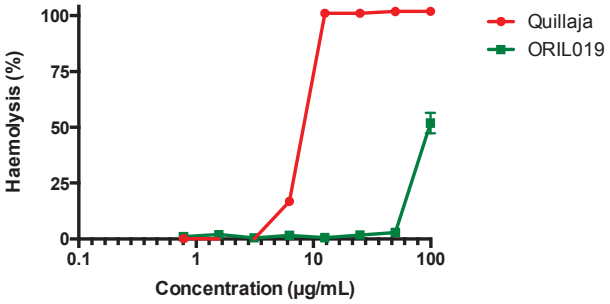
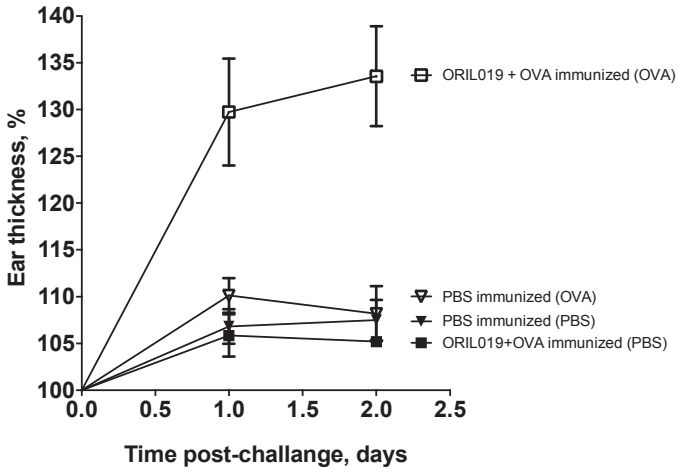


Figure 2

Figure 3 below illustrates the new ORIL compounds have the ability to promote the immune response and can thus act as adjuvants for T-cell activation in immuno cancer therapy (in the mouse ear oedema model).

Figure 3



ORIL studies performed in xenograft animal models support ORIL019's potential as an enhancer of immune-oncology agents. For example a recent anti-PD-1/ORIL019 combination study[3] performed in the CT-26 animal model[4] yielded the following key results:

a. ORIL019 enhanced the efficacy of the anti PD-1 antibody as measured by a reduction in tumour size.
b. ORIL019, in combination with a PD-1 antibody, extended the survival of animals in the study
c. ORIL019 increased the number of animals responding to treatment as compared with treatment with the anti-PD-1 antibody alone
d. No adverse side effects were observed as the animals tolerated the treatment with ORIL019 well when administered *via* the oral and parenteral routes.

[3] Confidential data on file

[4] Evans EE et al. Antibody Blockade of Semaphorin 4D Promotes Immune Infiltration into Tumor and Enhances Response to Other Immunomodulatory Therapies. *Cancer Immunol Res*. 2015 Jun;3(6):689-701.

REVIEW OF OPERATIONS (continued)

1.5 Next Steps in Development

While promising, the anti-PD-1/ORIL019 combination study described in the previous section is a preliminary proof-of-concept study that used only one dosing frequency and one dose level of ORIL019 administered either intravenously (i.v.) or orally (p.o.). Further information regarding the pharmacokinetics (PK), pharmacodynamics (PD) and biodistribution (BD) of ORIL019 is required in order to further optimize the dose level and treatment regime. Importantly, the best results were obtained when ORIL019 was administered orally.

The findings are consistent with the potential of ORIL019 to enhance the therapeutic effect of immuno-oncology drugs, potentially reducing dosing of these expensive drugs, improving the safety by reducing side-effects and reducing costs. Future studies to develop ORIL019 to IND-ready status will include the PK/PD/BD investigations mentioned above, more extensive dose-finding studies, further *in vivo* combination studies for other indications and the appropriate toxicology studies.

2 IP PORTFOLIO

The following table provides an update of the status of the ORIL family of patents and key assets. During 2016-17 the ORIL Directors took the decision to discontinue some of the patent families - for commercial reasons only.
The table below therefore only shows the status of the active patent families.

Title (Family)	Patent Application No.	Status
Methods and compositions for promoting activity of anti-cancer therapies	PCT/AU2007/001091	Granted in Australia, USA, India, Canada, China, Europe, Eurasia, Mexico, Taiwan and Japan Under examination/pending in Brazil
Improved synthesis of a class of steroid saponins	PCT/AU2013/000416	National Phase Entry November 2014. Granted in Australia, China, Eurasia
Novel Chemical Entities	2017900427	Filed February 2017 PCT to be filed February 2018

The research program is balanced with ORIL's strategy of creating value by protecting its intellectual property through patents where the scientific, business and legal support for such protection are soundly based. The technology remains 100% owned by the Company.

3 OPERATIONS

During the period July to December 2017 the company received a R&D tax offset of $518,886 with respect to the 2016-17 tax return. The Board of Directors resolved in June 2016 to operate at no fees for the 2016-17 financial year and until ORIL has sufficient funds. This has continued to December 2017.

Since July 1st, 2016 and to maximize the company's opportunities, the CEO and the R&D Program Manager continued on company activities on a monthly basis at a reduced fee.

On June 30th 2017 these two contracts were further scaled back to a pre-approved month-by-month basis. Both are continuing at significantly reduced rates to maximize the company's opportunities from its science and platform technology. In the event that sufficient funds are not raised/available by ORIL to pay any deferred payments both contractors have agreed to not make any claim against the company (ORIL) in respect to deferred invoices. Understandably, the R&D Program Manager left the company in November 2017 to accept a full-time employment opportunity.

The company requires $2 million in immediate funding for its ongoing operations while it seeks further investment.

REVIEW OF OPERATIONS (continued)

4 BUSINESS DEVELOPMENT

It remains the intention of the company to fully develop and commercialize its assets to their full potential. Valuation of intangible assets is complex and actual valuations would depend on a number of factors including size of pipeline (single vs multiple assets), time of exit, type of exit, market conditions, deal structure, etc. However, some trends and estimates can be gleaned from published historic deal data. Most deals are done at the pre-clinical stage and small molecules still attracting the vast majority of deals in oncology, albeit the market is fiercely competitive. Small molecule deal terms in 2016 and the first half of 2017 (Source: GlobalData). ORIL019 is at the pre-clinical stage with encouraging proof-of-concept data.

ORIL has engaged the services of specialist corporate finance experts in the Netherlands, UK and China. All have a track record of making suitable strategic and/or financial international connections between companies, universities, investors etc. A large number of presentations were made to various international companies either directly by an ORIL executive or on behalf of ORIL. Several of these led to the signing of a confidentiality agreement to enable exchange of detailed information and further progression of mutual due diligence.

For example, in December 2017, as a result of several discussions ORIL's CEO presented its business opportunity (as part of a confidential due diligence exercise) to a leading pharmaceutical company in Shanghai, Peoples Republic of China, specializing in TCM and which was looking for a major investment to diversify its portfolio. This opportunity was arranged in collaboration with a corporate finance specialist, based in China. The TCM Company was impressed with the exciting scientific discoveries and advances that ORIL has made in the difficult area of steroid saponins and cancer research where others have tried and failed. As of December 31st ORIL was waiting on their response.

Numerous other leads and opportunities have been identified and pursued during the past 18 months and include but are not limited to international groups such as: mid to large Pharma and Biotech companies, Corporations, Family Offices, Foundations, Philanthropists, and Venture Capital Funds.

To date the company has not been successful in raising the necessary funds. Discussions are continuing with a number of these entities.

5 THE NEXT FEW MONTHS…….

Ongoing operations are dependent on additional funding. All possible strategies for fund raising opportunity are being explored by the ORIL executive group.

Subject to funding the R&D efforts will continue to concentrate on the development of ORIL019 in immuno-oncology.

The Directors are hopeful of attracting investment interest but there is no guarantee and the Directors make no forecast. Our efforts over the past 18 months through a number of international sources for funding such as venture capital, investment groups, licence or partnering have not yet been successful.

It was stated in the July Review of Operations that "the Board has decided that if insufficient funds have not been raised by the 2017 Annual General Meeting, scheduled for November, the company must seriously consider its future." The Board considered the company's future in December and in view of the positive feedback and encouraging investment leads, decided to continue operating at the minimum level, at least until the outcome of the more promising investment opportunities became clearer.

The company will keep shareholders updated.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO REPORT DATE

No matters or circumstances have arisen since the end of the period which significantly affect or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2011 is included on the following page of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Board of Directors.

P A MARSHALL
DIRECTOR

K M WAYTE
DIRECTOR

Dated this 12th day of March 2018

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Oncology Research International Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Oncology Research International Ltd for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 12 March 2018

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	NOTE	Consolidated Group	
		31 December 2017	31 December 2016
		$	$
Other Income	2	477	519,433
Depreciation expense		(286)	(471)
Accountancy		(46,950)	(77,050)
Audit fees		(7,500)	(7,500)
Consultancy fees		(45,070)	(119,099)
Interest expense		(3)	-
Legal fees		-	(1,740)
Patents		(38,179)	(72,079)
Research & development	3	(20,656)	(53,778)
Secretarial fees		(3,900)	(11,800)
Travel and accommodation		(7,829)	(18,180)
Other expenses		(9,588)	(24,164)
Profit/(Loss) before income tax		**(179,484)**	**133,572**
Income tax expense		-	-
Profit/(Loss) for the half year period		**(179,484)**	**133,572**
Other comprehensive income for the period		**-**	**-**
Total comprehensive profit/(loss), net of tax, attributable to the owners of the parent entity		(179,484)	133,572

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	NOTE	Consolidated Group	
		31 December 2017 $	30 June 2017 $
CURRENT ASSETS			
Cash and cash equivalents	4	68,655	106,638
Trade and other receivables	5	5,313	184,406
Other current assets	6	2,130	5,140
TOTAL CURRENT ASSETS		76,098	296,184
NON-CURRENT ASSETS			
Property, plant & equipment	7	1,185	1,471
TOTAL NON-CURRENT ASSETS		1,185	1,471
TOTAL ASSETS		**77,283**	**297,655**
CURRENT LIABILITIES			
Trade and other payables	8	28,255	69,143
TOTAL CURRENT LIABILITIES		28,255	69,143
TOTAL LIABILITIES		**28,255**	**69,143**
NET ASSETS		**49,028**	**228,512**
EQUITY			
Share capital	9	17,327,763	17,327,763
Reserves		237,540	237,540
Accumulated losses		(17,516,275)	(17,336,791)
TOTAL EQUITY		**49,028**	**228,512**

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Consolidated group	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2017	17,327,763	(17,336,791)	237,540	228,512
Loss for the half year	-	(179,484)	-	(179,484)
Balance at 31 December 2017	17,327,763	(17,516,275)	237,540	49,028

Consolidated group	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2016	17,327,763	(17,272,778)	237,540	292,525
Profit for the half year	-	133,572	-	133,572
Balance at 31 December 2016	**17,327,763**	**(17,139,206)**	**237,540**	**426,097**

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	NOTE	Consolidated Group	
		31 December 2017 $	31 December 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		492	680
Goods & Services tax refund		24,767	47,340
R&D Tax Offset Refunds		169,185	-
Payments to suppliers		(232,427)	(413,354)
Net cash used in operating activities	**11**	**(37,983)**	**(365,334)**
Net decrease in cash held		(37,983)	(365,334)
Cash at the beginning of the half year		106,638	403,016
Cash at the end of the half year	**4**	**68,655**	**37,682**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim financial report is a general purpose financial report for the half-year reporting period ended 31 December 2017 that has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual statements for the year ended 30 June 2017 and any public announcements made by Oncology Research International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The interim financial report has been approved and authorised for issue by the Board of Directors on 12 March 2018.

The accounting policies adopted are consistent with those of the previous financial year. In the half year ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations by the AASB that are relevant to its operations and effective for the annual reporting periods beginning on or after 1 January 2017.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

Going Concern

The interim financial report has been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the period ended 31 December 2017, the Group earned a loss before tax of $179,484 (31 December 2016: a profit of $133,572). For the period ended at 31 December 2017, the Group incurred net operating cash outflows of $37,983 (31 December 2016: $365,334).

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of the Groups' project expenditure commitments;
- The ability of the Group to receive rebates from research and development and other government grants; and
- The underlying prospects for the Group to raise funds.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern (continued)

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

New and amended standards adopted by the Group

No new or amended standards became applicable for the current reporting period that impact the Group. As a result the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

There are no standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

		Consolidated Group	
		31 December 2017	**31 December 2016**
		$	**$**
2.	**OTHER INCOME**		
	Operating activities		
	- Interest received	477	547
	- Research & Development Tax Offset Refund	-	518,886
	Total Revenue	**477**	**519,433**
3.	**PROFIT (LOSS) FOR THE YEAR**		
	Expenses		
	- Research & development costs	20,656	53,778

		31 December 2017	**30 June 2017**
		$	**$**
4.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank and in hand	68,655	106,638
5.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Other receivables	7	22
	Goods & Services Tax Receivable	5,306	15,199
	Research & Development Tax Offset Receivable	-	169,185
		5,313	**184,406**
6.	**OTHER CURRENT ASSETS**		
	Current		
	Prepayments	2,130	5,140
7.	**PROPERTY, PLANT & EQUIPMENT**		
	Plant & equipment, at cost	14,513	14,513
	Accumulated depreciation	(13,328)	(13,042)
		1,185	**1,471**

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the period.

Plant and Equipment

Balance at beginning of period	1,471	2,407
Depreciation Expense	(286)	(936)
Carrying amount at the end of the period	**1,185**	**1,471**

		Consolidated Group	
		31 December 2017	**30 June 2017**
		$	**$**
8.	**TRADE AND OTHER PAYABLES**		
	Current		
	Trade Payables	28,255	69,143
9.	**SHARE CAPITAL**		
	43,345,749 (30 June 2017: 43,345,749)		
	Fully paid ordinary shares	17,327,763	17,327,763
	Ordinary shares	**No.**	**No.**
	At the beginning of the reporting period	43,345,749	43,345,749
	Shares issued during the year	-	-
	At reporting date	**43,345,749**	**43,345,749**

The Group did not issue any shares during the period.

Options

At balance date, no share options existed which if exercised would result in the issue of fully paid ordinary shares.

No share options were issued to key management personnel during the period.

10. RELATED PARTY TRANSACTIONS

Compensation Practices

The totals of remuneration paid to the key management personnel of the Group during the period are as follows:

	Consolidated Group	
	31 December 2017 $	30 June 2017 $
Cash fees[1]	19,800	130,000

Note 1

The cash fees paid of $19,800 (30 June 2017: $130,000) are consulting fees paid to companies associated with key management personnel for the services provided by key management personnel to the Group. No directors fees were paid during the period (30 June 2017: nil.)

The amount owed by the consolidated group at 31 December 2017 for consulting fees was nil. (30 June 2017: $11,000 excluding GST).

Other transactions with key management personnel

Key management personnel and their associated entities were reimbursed for expenditure incurred in respect of the consolidated group totalling $8,375 excluding GST (30 June 2017: $21,213 excluding GST).
The amount owed by the consolidated group in respect to reimbursements due at 31 December 2017 to key management personnel and their associated entities was $ 36 excluding GST (30 June 2017: $277 excluding GST).

11. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

Details of the reconciliation of cash flows used in operating activities are as follows:

	Consolidated Group	
	31 December 2017 $	31 December 2016 $
Cash flows used in operating activities		
Profit/(Loss) for the period	(179,484)	133,572
Adjustment for depreciation	286	471
Change in trade and other receivables	179,093	(505,500)
Change in other current assets	3,010	4,947
Change in trade and other payables	(40,888)	1,176
Net cash used in operating activities	**(37,983)**	**(365,334)**

12. SEGMENT INFORMATION

The consolidated group operates predominantly in the medical research industry within Australia.

13. CONTINGENT LIABILITIES

During the reporting period Pharmchem Technical Services Pty Ltd (a Director related entity) provided consultancy services to the company.

No provision has been made in these financial statements for the amount of $27,588 (GST inclusive) in relation to the services provided by Pharmchem Technical Services Pty Ltd as no amount is payable unless the company raises sufficient funding subsequent to report date. If no funding is raised by the company, Pharmchem Technical Services has agreed that no claim will be made against the company.

14. EVENTS SUBSEQUENT TO REPORT DATE

No matters or circumstances have arisen since the end of the period which significantly affect or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
AND IT'S CONTROLLED ENTITY

DIRECTORS' DECLARATION

In the opinion of the directors of Oncology Research International Limited:

1. the consolidated half year financial statements and notes, as set out on pages 10 to 19 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the half year ended on that date; and

   (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting;* and

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

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director _____
P A Marshall

Director _____
K M Wayte

Dated this 12th day of March 2018

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report to the Members of Oncology Research International Ltd

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Oncology Research International Ltd (the Company) , which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Oncology Research International Ltd does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $179,484 during the half year ended 31 December 2017 and, as of that date, the Company's current assets exceeded its current liabilities by $47,843. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The going concern assumption relies on the ability of the company to successfully raise cash funds on equity, reduce expenditure with available funds and continue to receive support of directors/creditors. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half Year Financial Report

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

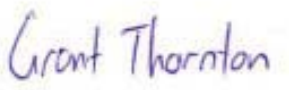
Auditor's Responsibility

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 12 March 2018