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

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

31 DECEMBER 2019

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DIRECTORS' REPORT

Your Directors present this report on the Company and its controlled entity for the half year ended 31 December 2019.

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.

OPERATING RESULTS

The consolidated operating loss of the Group after providing for income tax for the half year amounted to $75,541 (31 December 2018: Loss $67,922).

REVIEW OF OPERATIONS

SUMMARY

This Report covers the major activities of the Company from July to December 2019: Science & Technology, Business Development and Operations.

With very limited financial resources over the last six (6) months the Company continued to explore a number of potential capital raising opportunities. Our executive team has continued on reduced remuneration while those fund-raising efforts continue. The Company cannot continue its technology research and development without adequate funding and securing funding remains the key priority of our Company. The Board will keep shareholders updated on fund raising efforts.

Subject to funding the R&D strategy will continue to focus on the development of its novel first-in-class compounds such as ORIL019 for therapeutic use in the emergent field of immuno-oncology.

1. SCIENCE & TECHNOLOGY

From the culmination of years of work and effort, ORIL has designed, synthesised and tested a number of novel molecules (i.e. new chemical entities) based on natural molecules such as ORIL007 found in herbs and plants used in Traditional Chinese Medicine. Importantly these novel compounds overcome the "druggability" limitations of the naturally occurring compounds. The new compounds are best exemplified by ORIL019. As it is very likely that ORIL019 is metabolized to ORIL007 it serves as the platform on which ORIL019 technology is based.

A patent application to protect the intellectual property of these new agents (and as highly commercially valuable "Composition of Matter" patents) was filed in February 2017. The corresponding PCT was published in August 2018.

1.1 Immuno-therapy and immuno-oncology

Immunotherapy is the treatment of disease by inducing, enhancing, or suppressing an immune response via checkpoints or brakes on the immune system such PD-1 proteins, present on the surface of cells. An **immuno-oncology (I-O)** drug stimulates the body's own defence systems to action against the invading cancer. The 2018 Nobel Prize in Physiology or Medicine was awarded to Dr Tasuku Honjo (Japan) and Dr James P. Allison (USA) for their "discovery of cancer therapy by inhibition of negative immune regulation".

https://www.nobelprize.org/prizes/medicine/2018/summary/

REVIEW OF OPERATIONS (continued)

Checkpoint therapy has now revolutionized cancer treatment and has fundamentally changed the way we view how cancer can be managed.

The ground-breaking work of Drs Allison and Honjo showed how different strategies for inhibiting the brakes on the immune system ("checkpoints" such as PD-1 inhibitors) can be used in the treatment of cancer patients……**but**…….

- × While immuno-oncology drugs such as the checkpoint inhibitors can give spectacular results, they **only work in 20% of patients;** 80% of patients' hopes are dashed.
- × There's **no predictive biomarker** on which patients will respond.
- × **Resistance** and **side effects** remain significant **problems**
- × **Very high cost** of treatment (approx. US$150K per year for non-approved treatments)

The blockbuster I-O drug Pembrolizumab (trade name Keytruda) is a PD-1 inhibitor that blocks a protective mechanism of cancer cells and thereby allows the immune system to destroy them. It is used in cancer immunotherapy to treat melanoma, lung cancer, head and neck cancer, Hodgkin lymphoma, and stomach cancer and given by slow injection into a vein.
Side effects, however, remain a problem and include itchiness, rash, cough, fever, nausea, fatigue and constipation, pain in muscles, bones or joints, decreased appetite, diarrhoea, shortness of breath

Because not all tumour types respond solely to immuno-oncology (I-O) therapies experts are now looking to combination therapies that include an immuno-oncology drug. For example, in January 2019 at the prestigious J.P. Morgan Healthcare Conference held in San Francisco, the chief of Merck's R&D, Dr Roger Perlmutter stated:
"….*the majority of the drug's (Keytruda) future potential lies in combinations*…..

1.2 Relevance and the Role of ORIL Technology

It is therefore expected that combinations will be crucial in extending immuno-oncology beyond a few cancers, and beyond certain patient subgroups. There is clearly a need for an extra drug in combination with the PD-1 inhibitors with a different target and a different mechanism, potent as a single agent and without dampening the immune system. This reinforces **ORIL's strategy** that **targets** another over-expressed molecule or "**Achilles Heel**" **in** the **cancer** cell membrane. The role of the cell membrane in the cell signaling processes for several diseases including cancer is increasingly recognized by international researchers – further validating the target as "druggable".

The new ORIL molecules such as **ORIL019 meet these needs** - supported by the data in that ORIL019:

- ✓ has a **different target/receptor** in the cancer cell membrane (a different molecule which is also over-expressed in cancer)
- ✓ has a **different mechanism** to the PD-1 inhibitors
- ✓ is **potent** in in its own right (IC_{50} = 3-5 µM) in many cancer cell types
- ✓ **stimulates** rather than dampens **the immune system**
- ✓ **doubles the tumour reduction** when used **in combination with PD-1 inhibitor**
- ✓ is **safe** and **well tolerated** (rodent) when administered in both oral and injectable forms
- ✓ is **water-soluble** so easy to formulate as oral or IV dosage form

ORIL019 in combination with an approved PD-1 inhibitor offers the potential to:

- ✓ Significantly **increase effectiveness** against many cancers
- ✓ Improve compliance and safety by **reducing side effects**
- ✓ **Significantly reduce** overall **cost** to patient

REVIEW OF OPERATIONS (continued)

1.3 Next Steps in Development

While promising, the anti-PD-1/ORIL019 combination study described previously is a 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.

Subject to funding it is planned to further develop and complete the necessary pre-clinical studies for ORIL019 to be clinic-ready for Phase I/IB studies.

ORIL is closer to the clinic than is perhaps is apparent, having already done the hard work in the discovery phase. The immediate need is to manufacture further quantities of ORIL019 whereupon the pre-clinical development program falls into three key areas:

1) PK/ADME (oral and i.v.). Establish the metabolic relationship between ORIL019 and ORIL007 noting the best results were obtained when ORIL019 was administered orally.
2) Safety and toxicology
3) PK/PD & pharmacology to establish starting dose for Phase I

1.4 IP Portfolio

During 2017-19 the ORIL Directors took the decision to allow some of the patent families to lapse and to discontinue others in minor jurisdictions. This was for commercial reasons only in order to focus on the key platform technology.

The research program is consistent with ORIL's strategy of creating value by protecting its intellectual property through patents where the scientific, commercial and legal support for such protection are soundly based. The technology remains 100% owned by the Company and is available for out-licence on both exclusive and non-exclusive basis.

The patent application securing the intellectual property of these new agents have progressed into National Phase Entry in August 2019 in the key global jurisdictions. An international search conducted by ORIL's patent attorneys has confirmed the application meets the key criteria of both novelty and inventive step.

2. OPERATIONS

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 for the 2018-19 financial year and through to December 2019. Since July 1st, 2016 the executive team continue the Company activities at substantially reduced fees in order to maximize the Company's opportunities. From September 2017 the invoices for the CEO's fees which are invoiced by his related company Pharmchem Technical Services Pty Ltd (Pharmchem) to ORIL are deferred until sufficient funds are available for payment. In the event that sufficient funds are not raised/available by ORIL to pay any deferred payments the CEO and Pharmchem have agreed to not make any claim against the Company (ORIL) in respect to deferred invoices.

The Company requires AUD$2.0 million in immediate funding for its ongoing operations while it seeks further investment. This will enable ORIL to build value of its assets through further development of the technology, and progress the lead candidate ORIL019 towards the clinic.

REVIEW OF OPERATIONS (continued)

3. BUSINESS DEVELOPMENT

3.1 Strategy

It remains the intention of the Company to fully explore and develop its assets to their full potential.
The Company is seeking a capital investment of AUD 5.0 million to complete the pre-clinical and regulatory program requisite for an ethics submission for its lead candidate ORIL019 to be clinic-ready in 18 months, that is be ready to commence first-in-human clinical studies (Phase I/IB studies). A detailed budget has been prepared for the deployment of funds.

The Phase I/IB studies require a further AUD$5.0 MM and will take around 12 months to complete. Phase II studies require a further AUD$10 MM and are expected to take 18 months to complete.

The Company is pursuing globally the following options to maximize the value of the Company and a future return to shareholders:

- Licensing and partnering with mid and big - pharma companies
- Investment via venture capital, high net worth individuals and other investment entities
- IPO to finance the late stage development allowing shareholders to exit on market, at their discretion, as ORIL equity will be freely tradeable post listing.

As a result of ORIL's CEO, Dr Philip Marshall, addressing the August 2019 Rizhao Conference on Cell Therapy as an invited speaker, the local Rizhao Government, located in Shandong Province, expressed strong interest in investing in ORIL through its investment vehicle "Rizhao Guoyitan Health & Wellness Co Ltd" (the "Investor"). The Chairman also invited Dr Marshall to attend the official ground-breaking ceremony for Rizhao's new Life-Science City on September 24th at which time the Chairman also signed a Memorandum of Understanding (MOU) with ORIL to reflect the intention by both parties to conclude an investment in ORIL. ORIL remains in negotiations.

3.2 Recent Deals in Oncology

Most deals are done at the pre-clinical or clinical Phase I stage and small molecules still attract the majority of deals in oncology, albeit the market is fiercely competitive. Note ORIL019 is a small molecule at the pre-clinical stage with strong proof-of-concept data.

Key points

Recent oncology deals are summarised in the following paragraphs.
(**Reference:** http://www.evaluate.com/vantage/articles/data-insights/other-data/oncology-continues-reign-licensing-world-0)

- $ value of deals is being stoked by the search for products to use in combination with other drugs, as companies seek to extend the utility of individual products or mechanisms of action, to overcome issues of tumour resistance.
- competition for novel oncology assets is increasing, further bumping up valuations and accelerating the number of deals done at early, but cheaper stages of development
- Combined upfront value of oncology deals in first half of 2018 was $4.15 billion.

REVIEW OF OPERATIONS (continued)

- There appears to be no sign of the number of oncology deals slacking off, with 22 agreements already struck in the first six months of 2018, with up-front payments totaling $1.82bn.

https://www.iam-media.com/market-developments/oncology-drives-major-pharma-deals-while-immuno-oncology-patent-activity

- *Immunotherapy has become the major driver behind deal making in the pharmaceutical industry with 32 of the 35 multi-billion deals in the last five years being focused on immuno-oncology* with a total value in excess of $1 billion and many involve emerging platforms.
- *The most promising drugs are the checkpoint inhibitors, antibodies to PD1, its ligand PDL1, and CTLA4, that can either turn on immune cells (CTLA4) or prevent them from being turned off (PD1 and PDL1)*

4. THE NEXT FEW MONTHS…….

Ongoing operations are entirely dependent on additional funding. All possible strategies for fund raising opportunity continue to be rigorously explored both domestically and internationally by the ORIL executive group. Subject to funding the R&D efforts will continue to concentrate on the development of the new compounds such as 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 24 months through a number of international sources for funding such as venture capital, investment groups, licence or partnering have not yet been successful.

Following the AGM in November 2019, the Board considered the Company's future. In view of the positive feedback and encouraging investment leads, the Board has decided to continue operating at the minimum level, at least until the outcome of the more promising investment opportunities became clear.

The Company continues to monitor the Company's financial situation closely and will keep shareholders updated.

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 13th day of March 2020

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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 period ended 31 December 2019, 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 AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner – Audit & Assurance

Perth, 13 March 2020

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTE	Consolidated Group	
		31 December 2019	31 December 2018
		$	$
Other Income	2	11	1,266
Depreciation expense		(238)	(238)
Accountancy		(7,000)	(22,000)
Audit fees		(10,000)	(5,500)
Patents		(51,954)	(23,704)
Secretarial fees		-	(350)
Travel and accommodation		(2,631)	(9,315)
Other expenses		(3,729)	(8,081)
Loss before income tax		**(75,541)**	**(67,922)**
Income tax expense		-	-
Loss for the half year period		**(75,541)**	**(67,922)**
Other comprehensive income for the period		**-**	**-**
Total comprehensive loss, net of tax, attributable to the owners of the parent entity		**(75,541)**	**(67,922)**

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTE	Consolidated Group	
		31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents	3	30,185	3,443
Trade and other receivables	4	2,288	1,475
Other current assets	5	9,638	-
TOTAL CURRENT ASSETS		42,111	4,918
NON-CURRENT ASSETS			
Property, plant & equipment	6	222	460
TOTAL NON-CURRENT ASSETS		222	460
TOTAL ASSETS		**42,333**	**5,378**
CURRENT LIABILITIES			
Trade and other payables	7	11,292	14,796
TOTAL CURRENT LIABILITIES		11,292	14,796
TOTAL LIABILITIES		**11,292**	**14,796**
NET ASSETS / (LIABILITIES)		**31,041**	**(9,418)**
EQUITY			
Share capital		17,548,763	17,432,763
Reserves		237,540	237,540
Accumulated losses		(17,755,262)	(17,679,721)
TOTAL EQUITY/(DEFICENCY)		**31,041**	**(9,418)**

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Consolidated group				
Balance at 1 July 2019	17,432,763	(17,679,721)	237,540	(9,418)
Loss for the half year	-	(75,541)	-	(75,541)
Transactions with owners				
Issue of share capital, net of issue costs	116,000	-	-	116,000
Balance at 31 December 2019	17,548,763	(17,755,262)	237,540	31,041

	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Consolidated group				
Balance at 1 July 2018	17,377,763	(17,568,204)	237,540	47,099
Loss for the half year	-	(67,922)	-	(67,922)
Transactions with owners				
Issue of share capital, net of issue costs	50,000	-	-	50,000
Balance at 31 December 2018	17,427,763	(17,636,126)	237,540	29,177

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	NOTE	Consolidated Group	
		31 December 2019 $	31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		10	23
Goods & Services tax refund		3,087	4,140
Research & Development Tax Offset Refund		-	28,960
Payments to suppliers		(92,355)	(77,740)
Net cash used in operating activities	10	**(89,258)**	**(44,617)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		116,000	50,000
Net cash provided by financing activities		**116,000**	**50,000**
Net increase in cash held		26,742	5,383
Cash at the beginning of the half year		3,443	32,988
Cash at the end of the financial year	3	30,185	38,371

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 2019 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 2019 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 13th March 2020.

The accounting policies adopted are consistent with those of the previous financial year. In the half year ended 31 December 2019, 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 2019.

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 2019.

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 2019, the Group earned a loss before tax of $75,541 (31 December 2018: $67,922). For the period ended at 31 December 2019, the Group incurred net operating cash outflows of $89,258 (31 December 2018: $44,617).

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments.

The Company requires AUD$2.0 million in immediate funding for its ongoing operations while it seeks further investment. This will enable ORIL to build value of its assets through further development of the technology, and the lead candidate ORIL019 towards the clinic. Should this Fund raising not be successful, 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:

- There are no fixed contracts in place,
- There are no expenditure commitments,
- Expenditure of the Group is entirely discretionary, 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.

Adoption of New and Revised Australian Accounting Standards

In the half-year ended 31 December 2019, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

AASB 16 Leases requires all leases, other than short term and low value asset leases to be accounted "on balance sheet".

The new standard has been applied as at 1 July 2019 with no effect on initial application. The adoption of AASB 16 has not affected any of the Group's transactions and balances recognized in the financial statements for the period.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to the Group's accounting policies.

		Consolidated Group	
		31 December 2019 $	31 December 2018 $
2.	**OTHER INCOME**		
	Operating activities		
	- Interest received	11	36
	- Research & Development Tax Offset Refund	-	1,230
	Total Revenue	**11**	**1,266**

		31 December 2019 $	30 June 2019 $
3.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank and in hand	30,185	3,443
4.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Other receivables	1	-
	Goods & Services Tax Receivable	2,287	1,475
		2,288	**1,475**
5.	**OTHER CURRENT ASSETS**		
	Current		
	Prepayments	9,638	-
		9,638	**-**
6.	**PROPERTY, PLANT & EQUIPMENT**		
	Plant & equipment, at cost	14,513	14,513
	Accumulated depreciation	(14,291)	(14,053)
		222	**460**

(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	460	933
Depreciation Expense	(238)	(473)
Carrying amount at the end of the period	**222**	**460**

		Consolidated Group	
		31 December 2019 $	30 June 2019 $
7.	**TRADE AND OTHER PAYABLES**		
	Current		
	Trade Payables	11,292	14,796
		11,292	**14,796**

		31 December 2019 $	31 December 2018 $
8.	**SHARE CAPITAL**		
	45,115,749 (30 June 2019: 43,955,749)		
	Fully paid ordinary shares	17,548,763	17,427,763
	Ordinary shares	**No.**	**No.**
	At the beginning of the reporting period	43,955,749	43,845,749
	Shares issued during the year	1,160,000	100,000
	At reporting date	**45,115,749**	**43,945,749**

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.

9. RELATED PARTY TRANSACTIONS

Compensation Practices

No remuneration was paid to the key management personnel of the Group during the period. (30 June 2019: nil)

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 $3,381 excluding GST (30 June 2019: $16,007 excluding GST).

The amount owed by the consolidated group in respect to reimbursements due at 31 December 2019 to key management personnel and their associated entities was $15 excluding GST (30 June 2019: $295 excluding GST).

10. 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 2019 $	31 December 2018 $
Cash flows used in operating activities		
Loss for the period	(75,541)	(67,922)
Adjustment for depreciation	238	238
Change in trade and other receivables	(813)	27,541
Change in other current assets	(9,638)	3,147
Change in trade and other payables	(3,504)	(7,621)
Net cash used in operating activities	**(89,258)**	**(44,617)**

11. SEGMENT INFORMATION

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

12. CONTINGENT LIABILITIES

During the reporting period Pharmchem Technical Services Pty Ltd (a Director related entity) provided consultancy services to the Company including providing the services of the CEO.

No provision has been made in these financial statements for the amount of $245,806 (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.

13. 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.

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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 7 to 15 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of its financial position as at 31 December 2019 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 13th of March 2020

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Independent Auditor's Report

To the Members of Oncology Research International Ltd

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Oncology Research International Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 Group as at 31 December 2019, 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 Group incurred a net loss of $75,541 during the half year ended 31 December 2019 and, as of that date, the Group incurred net operating cash outflows of $89,258. 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 Group's ability to continue as a going concern. 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 Group's financial position as at 31 December 2019 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 J Hillgrove
Partner – Audit & Assurance

Perth, 13 March 2020