UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **December 31, 2017**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File Number: **000-54878**

PROPANC BIOPHARMA INC.
(Exact name of registrant as specified in its charter)

Delaware	**33-0662986**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

302, 6 Butler Street
Camberwell, VIC, 3124 Australia
(Address of principal executive offices)

61 03 9882 6723
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[X]
Emerging growth company	[ ]		

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date 21,180,587 shares of common stock, $0.001 par value per share, were outstanding as of February 8, 2018.

PROPANC BIOPHARMA INC.

Quarterly Report On Form 10-Q
For The Quarterly Period Ended
December 31, 2017

INDEX

		Page
PART I - FINANCIAL INFORMATION		
Item 1.	Consolidated Financial Statements (unaudited)	3
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	38
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	47
Item 4.	Controls and Procedures	48
PART II - OTHER INFORMATION		
Item 1.	Legal Proceedings	48
Item 1A.	Risk Factors	48
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	48
Item 3.	Defaults Upon Senior Securities	48
Item 4.	Mine Safety Disclosures	49
Item 5.	Other Information	49
Item 6.	Exhibits	49

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

The following unaudited interim consolidated financial statements of Propanc Biopharma, Inc., formerly known as Propanc Health Group Corporation are included in this quarterly report on Form 10-Q:

	Page
Consolidated Balance Sheets at December 31, 2017 (unaudited) and June 30, 2017	4
Consolidated Statements of Operations and Comprehensive Income (Loss) for the six months ended December 31, 2017 and 2016 (unaudited)	5
Consolidated Statements of Cash Flows for the six months ended December 31, 2017 and 2016 (unaudited)	6
Condensed Notes to the Consolidated Financial Statements (unaudited)	7

PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 31, 2017 (Unaudited)	June 30, 2017
ASSETS		
CURRENT ASSETS:		
Cash	$ 112,496	$ 69,043
GST tax receivable	4,386	8,111
Prepaid expenses and other current assets	-	4,822
TOTAL CURRENT ASSETS	116,882	81,976
Security deposit - related party	2,345	2,303
Property and equipment, net	9,854	10,790
TOTAL ASSETS	$ 129,081	$ 95,069
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 1,439,162	$ 483,513
Accrued expenses and other payables	188,903	477,347
Convertible notes and related accrued interest, net of discounts and premiums	4,417,450	3,479,845
Loans payable	2,345	2,303
Embedded conversion option liabilities	1,001,715	877,403
Warrant derivative liability	143	3,769
Due to directors - related parties	35,842	35,204
Loans from directors and officer - related parties	57,831	56,802
Employee benefit liability	135,010	120,634
TOTAL CURRENT LIABILITIES	7,278,401	5,536,820
Commitments and Contingencies (See Note 7)	-	-
STOCKHOLDERS' DEFICIT:		
Series A preferred stock, $0.01 par value; 1,500,000 shares authorized; 500,000 and 500,000 shares issued and outstanding as of December 31, 2017 and June 30, 2017, respectively	5,000	5,000
Series B preferred stock, $0.01 par value; 5 shares authorized; 1 and 1 share issued and outstanding as of December 31, 2017 and June 30, 2017, respectively	-	-
Common stock, $0.001 par value; 400,000,000 shares authorized; 17,693,284 and 4,578,284 shares issued; 17,668,806 and 4,553,806 outstanding as of December 31, 2017 and June 30, 2017, respectively	17,693	4,578
Additional paid-in capital	35,555,722	32,980,420
Accumulated other comprehensive loss	(312,013)	(141,749)
Accumulated deficit	(42,369,245)	(38,243,523)
Treasury stock	(46,477)	(46,477)
TOTAL STOCKHOLDERS' DEFICIT	(7,149,320)	(5,441,751)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 129,081	$ 95,069

The accompanying unaudited condensed notes are an integral part of these unaudited consolidated financial statements.

PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2017	2016	2017	2016
REVENUE				
Revenue	$ -	$ -	$ -	$ -
OPERATING EXPENSES				
Administration expenses	395,442	1,735,893	1,026,848	2,740,396
Occupancy expenses	6,899	5,991	15,729	14,588
Research and development	1,034,729	167,202	1,598,468	328,399
TOTAL OPERATING EXPENSES	1,437,070	1,909,086	2,641,045	3,083,383
LOSS FROM OPERATIONS	(1,437,070)	(1,909,086)	(2,641,045)	(3,083,383)
OTHER INCOME (EXPENSE)				
Interest expense	(486,754)	(1,255,627)	(1,379,186)	(1,727,014)
Interest income	39	5	67	13
Change in fair value of derivative liabilities	(260,045)	(38,980)	(229,771)	330,393
Gain (loss) on debt settlements, net	28,244	(131,902)	36,814	(131,557)
Loss on extinguishment of debt	(83,727)	-	(83,727)	-
Foreign currency transaction loss	(142,944)	(425,323)	(9,152)	(251,334)
TOTAL OTHER INCOME (EXPENSE)	(945,187)	(1,851,827)	(1,664,955)	(1,779,499)
LOSS BEFORE INCOME TAXES	(2,382,257)	(3,760,913)	(4,306,000)	(4,862,882)
TAX BENEFIT	180,278	-	180,278	-
NET LOSS	$ (2,201,979)	$ (3,760,913)	$ (4,125,722)	$ (4,862,882)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.20)	$ (1.13)	$ (0.49)	$ (1.52)
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	10,955,901	3,327,023	8,399,687	3,198,135
NET LOSS	$ (2,201,979)	$ (3,760,913)	$ (4,125,722)	$ (4,862,882)
OTHER COMPREHENSIVE LOSS				
Unrealized foreign currency translation gain (loss)	19,329	481,717	(170,264)	256,898
TOTAL OTHER COMPREHENSIVE LOSS	19,329	481,717	(170,264)	256,898
TOTAL COMPREHENSIVE LOSS	$ (2,182,650)	$ (3,279,196)	$ (4,295,986)	$ (4,605,984)

The accompanying unaudited condensed notes are an integral part of these unaudited consolidated financial statements.

PROPANC BIOPHARMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended December 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (4,125,722)	$ (4,862,882)
Adjustments to Reconcile Net loss to Net Cash Used in Operating Activities:		
Issuance and amortization of common stock for services	40,419	437,235
Issuance of convertible promissory notes for services	310,000	250,000
Warrant modification expense	-	23,495
Gain on settlement of accounts payable	(36,814)	131,900
Foreign currency transaction loss	9,152	251,334
Depreciation expense	1,128	1,091
Amortization of debt discount	400,284	1,371,171
Change in fair value of derivative liabilities	229,771	(330,393)
Loss on extinguishment of debt	83,727	-
Stock option expense	329,761	989,285
Accretion of put premium	876,462	319,103
Changes in Assets and Liabilities:		
GST receivable	3,862	19,047
Prepaid expenses and other assets	4,897	-
Prepaid expenses and other assets - related parties	-	2,262
Accounts payable	952,931	85,790
Accounts payable - related parties	-	80,089
Employee benefit liability	12,160	11,765
Payment for security deposit	-	1,659
Accrued expenses	(265,568)	199,295
Accrued interest	102,224	14,126
NET CASH USED IN OPERATING ACTIVITIES	(1,071,326)	(1,004,628)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible promissory notes	1,274,000	495,000
Proceeds from the exercise of warrants	-	464,285
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,274,000	959,285
Effect of exchange rate changes on cash	(159,221)	(32,809)
NET INCREASE (DECREASE) IN CASH	43,453	(78,152)
CASH AT BEGINNING OF PERIOD	69,043	121,070
CASH AT END OF PERIOD	$ 112,496	$ 42,918
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest	$ -	$ -
Income Tax	$ -	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Cancellation of shares for convertible note payable	$ -	$ 112,500
Reduction of put premium related to conversions of convertible note	$ 337,437	$ 89,591
Conversion of convertible notes and accrued interest to common stock	$ 1,377,928	$ 577,984
Discounts related to warrants issued with convertible debenture	$ -	$ 910,178
Discounts related to derivative liability	$ 310,000	$ 400,000

The accompanying unaudited condensed notes are an integral part of these unaudited consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of Operations

Propanc Biopharma, Inc. (the "Company," "we," "us," "our" or "Propanc Biopharma") was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary of the Company.

Effective April 20, 2017, the Company changed its name to "Propanc Biopharma, Inc." to better reflect the Company's stage of growth and development.

The Company has filed six patent applications relating to its lead product, PRP. The first application was filed in October 2010 in each of the countries listed in the table below. This application has been granted and remains in force in the United States, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore and South Africa. In Brazil, Canada, Hong Kong, Malaysia, Mexico and South Korea, the patent application remains under examination. The Europe patent application has recently been accepted.

In 2016 and 2017 we filed other patent applications, as indicated below. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can then seek protection for an invention in over 150 countries. Once national or regional applications are filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national or regional phase.

No.	Title	Country	Case Status	Date Filed
1.	A pharmaceutical composition for treating cancer comprising trypsinogen and/or chymotrypsinogen and an active agent selected from a selenium compound, a vanilloid compound and a cytoplasmic reduction agent.	USA, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore and South Africa	Granted	Oct-22-2010
		Brazil, Canada, Hong Kong, India, Malaysia, Mexico, Republic of Korea	Under Examination	
		Europe	Accepted	
2.	Proenzyme composition	PCT	Application filed and pending	Nov-11-2016

3.	Cancer Treatment	PCT	Application filed and pending	Jan-27-2017
4.	Composition of proenzymes for cancer treatment	PCT	Application filed and pending	Apr-12-2017

The Company hopes to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer by filing additional patent applications as it advances its lead product candidate, PRP, through various stages of development.

On April 20, 2017, the Company filed a certificate of amendment to its certificate of incorporation whereby the Company (i) decreased the number of authorized shares of common stock, par value $0.001 per share (the "Common Stock") to 100,000,000 (ii) decreased the number of authorized shares of preferred stock to 1,500,005 and (iii) effected a one-for-two hundred and fifty (1:250) reverse stock split of its issued and outstanding shares of Common Stock. Proportional adjustments for the reverse stock split were made to the Company's outstanding stock options, warrants and equity incentive plans, including all share and per-share data, for all amounts and periods presented in the unaudited consolidated financial statements.

Effective January 23, 2018, the stockholders have authorized an increase in the number of authorized shares of the Company's common stock from 100,000,000 to 400,000,000.

Basis of Presentation

The interim unaudited consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly our results of operations for the six months ended December 31, 2017 and 2016 and cash flows for the six months ended December 31, 2017 and 2016 and our financial position at December 31, 2017 have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative US GAAP recognized by the FASB to be applied to non-governmental entities. Each ASC reference in this filing is presented with a three-digit number, which represents its Topic. As necessary for explanation and as applicable, an ASC topic may be followed with a two-digit subtopic, a two-digit section or a two-or-three digit paragraph.

Certain information and disclosures normally included in the notes to the annual audited consolidated financial statements have been condensed or omitted from these interim unaudited consolidated financial statements. Accordingly, these interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2017. The June 30, 2017 balance sheet is derived from those statements.

Principles of Consolidation

The unaudited consolidated financial statements include the accounts of Propanc Biopharma, Inc. and its wholly-owned subsidiary, Propanc PTY LTD. All inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates in the accompanying unaudited consolidated financial statements include the estimates of useful lives for depreciation, valuation of derivatives, valuation of beneficial conversion features on convertible debt, allowance for uncollectable receivables, valuation of equity based instruments issued for other than cash, the valuation allowance on deferred tax assets and foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates.

Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company's functional currency is the Australian dollar (AUD). For financial reporting purposes, the Australian dollar has been translated into United States dollars ($ and/or USD) as the reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statement of operations and comprehensive income (loss) as other income (expense). There have been no significant fluctuations in the exchange rate for the conversion of Australian dollars to USD after the balance sheet date.

Other Comprehensive Income (Loss) for all periods presented includes only foreign currency translation gains (losses).

As of December 31, 2017 and June 30, 2017, the exchange rates used to translate amounts in Australian dollars into USD for the purposes of preparing the unaudited consolidated financial statements were as follows:

	December 31, 2017	**June 30, 2017**
Exchange rate on balance sheet dates		
USD : AUD exchange rate	0.7815	0.7676
Average exchange rate for the period		
USD : AUD exchange rate	0.7795	0.7544

Changes in Accumulated Other Comprehensive Income (Loss) by Component during the six months ended December 31, 2017 was as follows:

		Foreign Currency Items:
Beginning balance, June 30, 2017	$	(141,749)
Foreign currency translation loss		(170,264)
Ending balance, December 31, 2017	$	(312,013)

Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain of the Company's financial instruments, including cash and cash equivalents, accounts and other receivables, accounts payable and accrued expenses and other liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for loans payable, also approximate fair value because current interest rates available to us for debt with similar terms and maturities are substantially the same.

The Company has adopted ASC 820, "*Fair Value Measurement,*" accounting guidance for fair value measurements of financial assets and liabilities. The adoption did not have a material impact on the Company's results of operations, financial position or liquidity. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

The estimated fair value of certain financial instruments, including accounts receivable and accounts payable are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The cost basis of notes and convertible debentures approximates fair value due to the market interest rates carried for these instruments.

Also see Note 10 - Derivative Financial Instruments.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts are reflected as a current liability on the balance sheets. There were no cash equivalents as of December 31, 2017 or June 30, 2017.

Patents

Patents are stated at cost and reclassified to intangible assets and amortized on a straight-line basis over the estimated future periods if and once the patent has been granted by a regulatory agency. However, the Company will expense any product costs for so long as we remain in the startup stage. Accordingly, as the Company's products were and are not currently approved for market, all patent costs incurred from 2013 through 2017 were expensed immediately. This practice of expensing patent costs immediately ends when a product receives market authorization from a government regulatory agency.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "*Long-lived assets,"* property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable.

Australian Goods and Services Tax (GST)

Revenues, expenses and balance sheet items are recognized net of the amount of GST, except payable and receivable balances which are shown inclusive of GST. The GST incurred is payable on revenues to, and recoverable on purchases from, the Australian Taxation Office.

Cash flows are presented in the statements of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

As of December 31, 2017 and June 30, 2017, the Company was owed $4,386 and $8,111, respectively, from the Australian Taxation Office. These amounts were fully collected subsequent to the balance sheet reporting dates.

Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment.

Convertible Notes With Variable Conversion Options

The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480, "*Distinguishing Liabilities from Equity*" and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion, and records the put premium as accretion to interest expense to the date of first conversion.

Income Taxes

The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740 "*Accounting for Income Taxes*," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company adopted provisions of ASC 740, Sections 25 through 60, "*Accounting for Uncertainty in Income Taxes*." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Research and Development Costs and Tax Credits

In accordance with ASC 730-10, *"Research and Development-Overall,"* research and development costs are expensed when incurred. Total research and development costs for the six months ended December 31, 2017 and December 31, 2016 were $1,598,468 and $328,399, respectively.

The Company may apply for research and development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company's net operating loss carryforwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as an income tax benefit, in operations, upon receipt.

During the six months ended December 31, 2017 and 2016, the Company applied for, and received from the Australian Taxation Office, a research and development tax credit in the amount of $180,278 and $0 respectively, which is reflected as a tax benefit in the accompanying consolidated statements of operations and comprehensive income (loss).

Stock Based Compensation

The Company records stock based compensation in accordance with ASC 718, "*Stock Compensation*" as well as SEC Staff Accounting Bulletin No. 107 *Share Based Payment*, which was issued by the SEC in March 2005 and related to its interpretation of ASC 718. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period. The Company values employee and non-employee stock based compensation at fair value using the Black-Scholes Option Pricing Model.

The Company accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 505-50 "*Equity-Based Payments to Non-Employees*."

Revenue Recognition

In accordance with SEC Staff Accounting Bulletin No. 104, *Revenue Recognition*, (codified in ASC 605), the Company intends to recognize revenue when (i) persuasive evidence of a customer or distributor arrangement exists or acceptance occurs, (ii) a retailer, distributor or wholesaler receives the goods, (iii) the price is fixed or determinable, and (iv) collectability of the sales revenues is reasonably assured. Subject to these criteria, the Company intends to recognize revenue relating to royalties on product sales in the period in which the sale occurs and the royalty term has begun.

Basic and Diluted Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding for the period and, if dilutive, potential common shares outstanding during the period. Potentially dilutive securities consist of the incremental common shares issuable upon exercise of common stock equivalents such as stock options, warrants and convertible debt instruments. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. As a result, the basic and diluted per share amounts for all periods presented are identical. As of December 31, 2017 there were 149,517 warrants outstanding, 572,000 stock options and 18 convertible notes payable that are convertible into 47,599,059 common shares, respectively which are considered dilutive securities which were excluded from the computation since the effect is anti-dilutive.

Recently Adopted Accounting Pronouncements

Certain FASB Accounting Standard Updates ("ASU") that are not effective until after December 31, 2017 are not expected to have a significant effect on the Company's consolidated financial position or results of operations. The Company is evaluating or has implemented the following at December 31, 2017:

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing diversity in practice regarding how certain cash receipts and cash payments are presented in the statement of cash flows. The standard provides guidance on the classification of the following items: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt instruments, (3) contingent consideration payments made after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions received from equity method investments, (7) beneficial interests in securitization transactions, and (8) separately identifiable cash flows. The Company is required to adopt ASU 2016-15 for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017 on a retrospective basis. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact of adoption of ASU 2016-15.

In March 2016, the FASB issued ASU 2016-09, *"Improvements to Employee Share-Based Payment Accounting,"* which amends several aspects of the accounting for share-based payment transaction, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. These changes become effective for the Company's fiscal year beginning July 1, 2017. The Company has determined that ASU 2016-09 will have no material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *"Leases,"* which will require lessees to recognize assets and liabilities for the rights and obligations created by most leases on the balance sheet. The changes become effective for the Company's fiscal year beginning July 1, 2019. Modified retrospective adoption for all leases existing at, or entered into after, the date of initial application, is required with an option to use certain transition relief. The Company expects this ASU will increase its current assets and current liabilities, but have no net material impact on its consolidated financial statements.

NOTE 2 – GOING CONCERN

The accompanying unaudited consolidated financial statements have been prepared in conformity with US GAAP, and contemplate continuation of the Company as a going concern. For the six months ended December 31, 2017, the Company had no revenues, had a net loss of $4,125,722 and had net cash used in operations of $1,071,326. Additionally, as of December 31, 2017, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of $7,161,519, $7,149,320 and $42,369,245, respectively. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date of this filing.

The unaudited consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company's patent applications and ultimately achieving a level of sales adequate to support the Company's cost structure. However, there can be no assurances that the Company will be able to secure additional debt or equity investments or achieve an adequate sales level.

NOTE 3 – DUE TO DIRECTORS - RELATED PARTIES

Due to directors - related parties represents unsecured advances made primarily by a former director for operating expenses on behalf of the Company such as intellectual property and formation expenses. The expenses were paid for on behalf of the Company and are due upon demand. The Company is currently not being charged interest under these advances. The total amount owed the former director at December 31, 2017 and June 30, 2017 is $35,842 and $35,204, respectively.

NOTE 4 – LOANS AND NOTES PAYABLE

Loans from Directors and Officer - Related Parties

Loans from Directors and Officer at December 31, 2017 and June 30, 2017 were $57,831 and $56,802, respectively. The loans bear no interest and are all past their due date and in default. The Company did not repay any amount on these loans during the six months ended December 31, 2017.

Other Loans from Unrelated Parties

As of December 31, 2017 and June 30, 2017, other loans from unrelated parties had a balance of $2,345 and $2,303, respectively. The Company did not repay any money toward these loans and a foreign currency transaction loss of $42 was recorded in connection with these loans for the six months ended December 31, 2017.

NOTE 5 – CONVERTIBLE NOTES

Convertible notes at December 31, 2017 were as follows:

Convertible notes and debenture	$	3,194,381
Unamortized discounts		(421,812)
Accrued interest		130,021
Premium		1,514,860
Convertible notes, net	$	4,417,450

Delafield Financing Agreements

On October 28, 2015 (the “Closing Date”), the Company entered into a securities purchase agreement dated as of the Closing Date (the “Purchase Agreement”) with Delafield Investments Limited (the “Purchaser” or “Delafield”). The Purchase Agreement provided that, upon the terms and subject to the conditions set forth therein, the Purchaser would invest $4,000,000 (“Investment Amount”) in exchange for a convertible debenture (the “Debenture”) in the principal amount of $4,400,000 (the “Principal Amount”) and a warrant to purchase an aggregate of 104,762 shares of the Company’s common stock, par value $0.001 per share, for an exercise price of $150 per share for a period of four (4) years from the Closing Date (the “Warrant”). Pursuant to the Purchase Agreement, on the Closing Date, the Company issued the Debenture and Warrant to the Purchaser.

Under the terms of the Purchase Agreement, the Purchaser agreed to deliver a promissory note entered into by the Company and Purchaser on September 24, 2015 with a principal amount of $1,200,000 (the “Prior Note”). The parties further agreed that the Prior Note was deemed cancelled upon the delivery by the Purchaser to the Company of the Debenture and the amount of the Prior Note is included in the Investment Amount under the Purchase Agreement.

Under the terms of the Purchase Agreement and Debenture, $2,800,000 of the Investment Amount was deposited into a deposit control account and such amount was to remain in the deposit control account pending the achievement of certain milestones by the Company and the satisfaction of certain equity conditions set forth in the Debenture. Additionally, under the Debenture, the Principal Amount would be reduced by $25,000 if the Company filed a registration statement with the SEC within 30 days following the Closing Date. The Principal Amount would be reduced by an additional $25,000 if the registration statement was deemed effective within 100 days after the Closing Date. On November 23, 2015, the Company filed a registration statement with the SEC and on December 10, 2015, the registration statement was declared effective. As both of these conditions were met, the Principal Amount was reduced by $50,000, which was credited to interest expense such that the aggregate remaining principal amount was $4,350,000 and the $2,800,000 was released from the deposit control account.

The Purchase Agreement contains customary representations, warranties and covenants by, among and for the benefit of the parties. The Company also agreed to pay up to $50,000 of reasonable attorneys' fees and expenses incurred by the Purchaser in connection with the transaction. The Purchase Agreement also provides for indemnification of the Purchaser and its affiliates in the event that the Purchaser incurs losses, liabilities, obligations, claims, contingencies, damages, costs and expenses related to a breach by the Company of any of its representations, warranties or covenants under the Purchase Agreement.

The Debenture has a 10% original issue discount and was originally scheduled to mature on October 28, 2016. The Principal Amount accrues interest at the rate of 5% per annum with a one year value guarantee of $217,500, payable quarterly in cash (or if certain conditions are met, in stock at the Company's option) on January 1, April 1, July 1 and October 1. The Debenture was, prior to the Addendum (as defined below), convertible at any time, in whole or in part, at the Purchaser's option into shares of the Company's Common Stock at a conversion price equal to $10.50, which is the volume weighted average price ("VWAP") of the Company's Common Stock five days prior to the execution of the Debenture (subject to adjustment) (the "Conversion Price"). At any time after the effective date of the registration statement, the Purchaser had the opportunity to convert up to an aggregate of $2,090,000 of the Debenture, at one or more conversion dates, into shares of Common Stock at a conversion price equal to the VWAP of the Common Stock over the five (5) trading days prior to such effective date. The Purchaser's option to convert at such a conversion price expired when the Purchaser converted an aggregate of $2,090,000 of the Debenture using such conversion price. If the VWAP of the Company's Common Stock on any trading day was less than the Conversion Price, the Purchaser could convert at a price per share equal to a twenty percent (20%) discount to the average of the two lowest closing prices during the five trading days prior to the date of conversion. During the year ended June 30, 2016, the Company withdrew a principal amount of $2,800,000 from the deposit control account of which $269,976 was paid directly as partial payment of a note dated June 4, 2015 and $33,437 was paid directly to legal fees resulting in net cash proceeds of $2,496,587 received by the Company. An aggregate total of $1,955,300 was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2016, the Purchaser converted $2,790,806 of principal and $108,750 of accrued interest into shares of the Company's Common Stock. During the year ended June 30, 2017, the Purchaser converted $885,400 of principal and $108,750 of accrued interest into shares of the Company's Common Stock.

During the six months ended December 31, 2017, the Purchaser converted $380,090 of principal into shares of the Company's Common Stock (See Note 6). Total principal outstanding as of December 31, 2017 is $340,181. Accrued interest as of December 31, 2017 was $3,913 and was accrued in connection with a letter agreement revising the original terms of the agreement as documented below, which after multiple amendments has a due date of December 15, 2017. On January 2, 2018 all $490,181in remaining principal and related accrued interest under the Debenture were paid in full (see Note 11). The above conversions relate to additional proceeds received under the Debenture as documented below.

The Debenture includes customary event of default provisions and provides for a default interest rate of 18%. Upon the occurrence of an event of default, the Purchaser may convert the Debenture into shares of Common Stock at a price per share equal to a thirty percent (30%) discount to the average VWAP of the shares for the six trading days prior to conversion.

Subject to the conditions set forth in the Debenture, the Company has the right at any time to redeem some or all of the total outstanding amount then remaining under the Debenture in cash at a price equal to 125% of the total amount of the Debenture outstanding on the twentieth (20th) trading date following the date the Company delivers notice of such redemption to the Purchaser.

At no time is the Purchaser entitled to convert any portion of the Debenture to the extent that after such conversion, the Purchaser (together with its affiliates) would beneficially own more than 4.99% of the outstanding shares of Common Stock as of such date.

The Warrant was exercisable in whole or in part, at an initial exercise price per share of $150. The exercise price and number of shares of the Company's Common Stock issuable under the Warrant (the "Warrant Shares") were subject to adjustments for stock dividends, splits, combinations, subsequent rights offerings and pro rata distributions. Any adjustment to the exercise price would similarly cause the number of Warrant Shares to be adjusted so that the total value of the Warrants would have increased. In the event that the Warrant Shares were not included in an effective registration statement, the Warrants could be exercised on a cashless basis.

The Company calculated the Warrant at relative fair value, which was $712,110 and amortized to interest expense during the year ended June 30, 2016. This Warrant was fully exercised during fiscal 2017 (see the "July Letter Agreement" below).

In connection with the execution of the Purchase Agreement, on the Closing Date, the Company and the Purchaser also entered into a registration rights agreement dated as of the Closing Date (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to file an initial registration statement with the SEC to register the resale of the Common Stock into which the Debenture may be converted or the Warrant may be exercised, within 30 days following the Closing Date. The registration statement had to be declared effective by the 100th calendar day after the Closing Date, subject to a 20-day extension as requested by the Company and consented to by the Purchaser. On November 23, 2015, the Company filed the registration statement with the SEC and on December 10, 2015, the registration statement was declared effective.

If at any time all of the shares of Common Stock underlying the Debenture or the Warrant are not covered by the initial Registration Statement, the Company agreed to file with the SEC one or more additional registration statements so as to cover all of the shares of Common Stock underlying the Debenture or the Warrant not covered by such initial Registration Statement, in each case, as soon as practicable, but in no event later than the applicable filing deadline for such additional registration statements as provided in the Registration Rights Agreement.

In connection with the Purchase Agreement, the Company entered into a security agreement dated as of even date therewith with the Purchaser whereby the Company agreed to grant to Purchaser an unconditional and continuing first priority security interest in all of the assets and property of the Company to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Debentures, Warrants and the other transaction documents until ten days following such time as the registration statement was declared effective by the SEC and the equity conditions set forth in the Debenture are met.

On March 11, 2016, the Company entered into an Addendum (the "Addendum") as discussed below with the Purchaser pursuant to which the Company and the Purchaser agreed to new terms with respect to the Purchase Agreement.

Addendum

Under the Addendum, the Company and the Purchaser agreed that the balance of the deposit control account, after giving effect to the amounts released from such account as of the date of the Addendum, would be released to the Company in two installments as follows: (1) up to $1,200,000 would be released to the Company upon full execution of the Addendum, which occurred on March 16, 2016, and (2) up to $375,000 within 60 days of the full execution of the Addendum as long as certain conditions were met, which occurred on May 19, 2016.

The Company and the Purchaser agreed that the new conversion price would be $7.50; provided that in the event that the VWAP per share on any trading day is less than such conversion price, the conversion price would be adjusted to a price per share that was equal to a 22.5% discount to the lowest trading price of the common stock in the ten trading days prior to the date of conversion. The Company evaluated this note modification under ASC 470-50-40-10 and concluded that it does not apply since the conversion option is bifurcated and the 10% cash flow test was not met under ASC 470-50.

Under the Addendum, the Purchaser agreed to limit the number of shares of Common Stock it sells on any trading day to an amount of shares that is less than 25% of the trading volume of the Common Stock on that same trading day. The Purchaser and the Company may agree otherwise with respect to this trading limitation.

The Company also agreed to reserve an additional 1,200,000 shares for issuance and to file a registration statement on Form S-1 to register shares covering the resale of all of the additional shares of common stock that are issuable upon conversion of the Debenture, as modified by this Addendum. On March 25, 2016, the Company filed a registration statement with the SEC and on April 19, 2016, the registration statement was deemed effective.

The Company and the Purchaser agreed that the initial stock purchase agreement and the Debenture, as applicable, would continue in effect and remain in place, except to the extent modified by the Addendum.

July and August Letter Agreements

On July 1, 2016, the Company entered into a Letter Agreement (the "July Letter Agreement") with the Purchaser, and the parties then entered in a second letter agreement dated August 3, 2016 (the "August Letter Agreement"), pursuant to the Purchase Agreement.

Under the July Letter Agreement, the Purchaser agreed to exercise the Warrant with respect to all 104,762 shares of common stock underlying the Warrant. In consideration for the Purchaser's exercise of the Warrant, the Company agreed to adjust the exercise price from $150 per share to $3.00 per share. In addition, the Company and the Purchaser agreed to modify the July 1, 2016 "Interest Payment Date" and the October 1, 2016 "Interest Payment Date" as such terms are defined in the Debenture. The Company delayed the interest payment due on the July 1, 2016 Interest Payment Date by a minimum of 30 calendar days (the "Minimum Extension Date") and up to 60 calendar days, provided that the Purchaser could demand payment any time after the Minimum Extension Date. The Company also may delay the interest payment due on the October 1, 2016 Interest Payment Date to the October 28, 2016 maturity date (the "Maturity Date") unless the Purchaser demands earlier payment; provided however, that if the Purchaser has not demanded payment by October 27, 2016, the Maturity Date would have been extended until December 31, 2016 (or such earlier date as the parties mutually agreed) and the interest payment that would have been due on the October 1, 2016 would become due on December 31, 2016, unless the Purchaser demanded earlier payment. The note was further extended to September 30, 2017 and then to December 15, 2017 as discussed below.

On July 8, 2016, the Warrant for 104,762 shares was fully exercised at a price of $3 per share for a total of $314,286, see above. The Company revalued the warrants on the modification date at the new exercise price and recorded an additional expense in fiscal 2017 of approximately $21,000 related to the incremental increase in value.

Pursuant to the August Letter Agreement, the Maturity Date of the Debenture was extended until February 28, 2017 and did not accrue interest from October 28, 2016 through the Maturity Date (provided that all accrued but unpaid interest prior to October 28, 2016 (the original maturity date) will be due and payable pursuant to the terms of the Debenture). The note was further extended to September 30, 2017 and then to December 15, 2017 as discussed below.

The Debenture is convertible at any time, in whole or in part, at the Purchaser's option into shares of Common Stock at a conversion price equal to $7.50 per share; provided that in the event that the VWAP on any trading day is less than such conversion price, the conversion price will be adjusted to a price per share that is equal to a 22.5% discount to the lowest trading price of the Common Stock in the ten trading days prior to the date of conversion.

Warrants

Pursuant to the August Letter Agreement and in consideration for extending the Maturity Date of the Debenture as noted above, the Company issued the Purchaser warrants to purchase up to 960,000 shares of Common Stock (the "2016 Warrants"). The 2016 Warrants entitled the holder to purchase (i) up to 800,000 shares of Common Stock at exercise prices ranging from $3.00 to $5.00 per share (the "Five Month Warrant"), and (ii) up to 160,000 shares of Common Stock at an exercise price of $25.00 per share (the "Two Year Warrant"). The Company also agreed to file a registration statement with the SEC, to register for resale the 960,000 shares of Common Stock underlying the 2016 Warrants. The Company calculated the 960,000 warrants at relative fair value, which was $910,178 and is being amortized to interest expense over the remaining term of the debenture in accordance with ASC 470-50-40-17. The 2016 Warrants were subsequently cancelled as part of the "December Letter Agreement" (see below).

The 2016 Warrants were immediately exercisable. On August 18, 2016, the Purchaser notified the Company of its exercise of 50,000 shares of Common Stock under the first tranche of the Five Month Warrant at a purchase price of $3.00 per share or $150,000 in the aggregate. These shares were later redeemed by the Company as part of the "December Letter Agreement."

Pursuant to the Five Month Warrant, if the VWAP of the Common Stock for five consecutive days equaled or exceeded the exercise price of any tranche of the Five Month Warrant (each, as applicable, a "Callable Tranche"), and provided that the Company was in compliance with the Call Conditions as defined in the August Letter Agreement, the Company had the right to call on the Purchaser to exercise any warrants under a Callable Tranche up to an aggregate exercise price of \$350,000. The Five Month Warrant generally limited the Company to one such call within a twenty trading day period. However, if the VWAP of the Common Stock for five consecutive trading days was at least 200% of the exercise price of any warrants under a Callable Tranche, the Company could make an additional call for the exercise of additional warrants under such Callable Tranche up to an aggregate exercise price of \$600,000 prior to the passage of the twenty trading day period. If Delafield did not exercise the 2016 Warrants under a Callable Tranche when called by the Company under the terms of the August Letter Agreement, the Company could, at its option, cancel any or all outstanding warrants under the Five Month Warrant.

The exercise price and number of shares of the Common Stock issuable under the 2016 Warrants were subject to adjustments for stock dividends, splits, combinations and pro rata distributions. Any adjustment to the exercise price could similarly cause the number of shares underlying the 2016 Warrants to be adjusted so that the total value of the 2016 Warrants could have increased.

The Purchaser was subject to a beneficial ownership limitation under the 2016 Warrants such that the Company and the Purchaser would not affect any exercise of the 2016 Warrants that would cause the Purchaser (together with its affiliates) to beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise of the warrant. The Purchaser, upon notice to the Company, could increase or decrease the beneficial ownership limitation, provided that the beneficial ownership limitation may not exceed 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise of the warrant.

The Five Month Warrant required us to file a registration statement covering the resale of the shares underlying the warrant within 15 days after August 3, 2016, and to use our commercially reasonable efforts to have the registration statement declared effective by the SEC promptly thereafter and to remain effective for a period of at least twelve months from the date of effectiveness. This registration statement was filed on August 19, 2016, but was subsequently withdrawn as described below. In the event that a registration statement registering the resale of the shares underlying the Five Month Warrant was not effective on or before October 15, 2016, or was not maintained effective thereafter, the termination date of the Five Month Warrant would have been extended until such date that the shares were registered for at least a period of 90 days, but in no event later than April 30, 2017.

The Two Year Warrant required us to file a registration statement covering the resale of the shares underlying the warrant within 15 days after August 3, 2016, and to use our commercially reasonable efforts to have the registration statement declared effective by the SEC promptly thereafter and to remain effective for a period of at least six years from the date of effectiveness. The registration statement was filed on August 19, 2016, but was subsequently withdrawn as described below.

Additional Issuance Debenture

As of September 13, 2016, the Company entered into an Additional Issuance Agreement (the "Additional Issuance Agreement") with the Purchaser pursuant to the Purchase Agreement. Pursuant to the Additional Issuance Agreement, Delafield agreed to loan an additional \$150,000 in exchange for a 5% Original Issue Discount Senior Secured Convertible Debenture of the Company in the principal amount of \$165,000 (the "Additional Issuance Debenture"). An aggregate total of \$199,585 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. As of December 31, 2017, all \$165,000 in outstanding principal under the Additional Issuance Debenture along with \$8,250 of accrued interest was fully converted (see Note 6).

The rights and obligations of the Purchaser and the Company with respect to the Additional Issuance Debenture and the shares of Common Stock issuable under the Additional Issuance Debenture (the “New Underlying Shares”) are identical in all respects to the rights and obligations of the Purchaser and the Company with respect to the Debenture and the shares of Common Stock issued and issuable thereunder, except that the Purchaser will not receive any registration rights with respect to the New Underlying Shares and except as otherwise noted in the governing documents.

The Additional Issuance Agreement contains customary representations, warranties and covenants by, among and for the benefit of the parties. We also agreed to pay all reasonable out-of-pocket costs or expenses (including, without limitation, reasonable legal fees and disbursements) incurred or sustained by the Purchaser, in connection with the transaction.

The Additional Issuance Debenture has a 10% original issue discount. The principal amount of the Additional Issuance Debenture accrues interest at the rate of 5% per annum, payable quarterly in cash (or if certain conditions are met, in stock at the Company’s option) on January 1, April 1, July 1 and October 1. The Additional Issuance Debenture is convertible at any time, in whole or in part, at Delafield’s option into shares of Common Stock at a conversion price equal to $7.50 (subject to adjustment) (the “Conversion Price”). If the VWAP of the Common Stock on any trading day is less than the then-current Conversion Price, the Purchaser may convert at a price per share equal to a twenty two and one half percent (22.5%) discount to the lowest trading price of the Common Stock in the ten trading days prior to the date of conversion.

The Purchaser is subject to the same ownership limitation in connection with the Additional Issuance Debenture as for the 2016 Warrants as described above. The Additional Issuance Debenture includes customary event of default provisions and provides for a default interest rate of 18%. Upon the occurrence of an event of default, the Purchaser may convert the Additional Issuance Debenture into shares of Common Stock at a price per share equal to a thirty percent (30%) discount to the average VWAP of the shares for the six trading days prior to conversion.

Subject to the conditions set forth in the Additional Issuance Debenture, we have the right at any time after the earlier of (i) the six month anniversary of the original issuance of the Additional Issuance Debenture or (ii) the date on which the New Underlying Shares are registered pursuant to an effective registration statement, to redeem some or all of the total outstanding amount then remaining under the Additional Issuance Debenture in cash at a price equal to 125% of the total amount of the Additional Issuance Debenture outstanding on the twentieth (20th) trading date following the date the Company delivers notice of such redemption to Delafield.

At the sole election of the Purchaser, in lieu of receiving a cash payment for any principal amounts due on the Additional Issuance Debenture, the Purchaser may use all or any portion of any principal amounts owed to it to exercise outstanding warrants of the Company held by the Purchaser.

The issuance of the Additional Issuance Debenture to the Purchaser under the Additional Issuance Agreement was exempt from the registration requirements of the Securities Act pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act. The Company made this determination based on the representations of the Purchaser that it was acquiring the Additional Issuance Debenture for its own account with no intent to distribute the Additional Issuance Debenture. No general solicitation or general advertising was used in connection with the sale of the Additional Issuance Debenture and the Company had a pre-existing relationship with the Purchaser.

Our obligations under the Additional Issuance Debenture are secured by an unconditional and continuing, first priority security interest in all of the assets and property (as originally stated in the October 2015 agreement) of the Company until ten days following such time as the equity conditions set forth in the Additional Issuance Debenture are met, pursuant to the terms of the existing Security Agreement.

The Additional Issuance Debenture was originally scheduled to mature on September 13, 2017 but, as described below, the maturity date was extended to December 15, 2017. As of December 31, 2017, the outstanding principal under the Additional Issuance Debenture along with $8,250 of accrued interest was fully converted (see Note 6).

December Letter Agreement

On December 2, 2016, the Company entered into a Letter Agreement (the "December Letter Agreement") with the Purchaser pursuant to which the parties agreed to cancel both the Two Year Warrant to purchase up to 160,000 shares of common stock, par value $0.001 per share of the Company at an exercise price of $25.00 per share, and the Five Month Warrant to purchase in five tranches, at exercise prices between $3.00 and $5.00 per share, up to 800,000 shares of common stock, originally issued to the Purchaser on August 3, 2016.

Pursuant to the December Letter Agreement, the 50,000 restricted shares held by the Purchaser pursuant to its August 2016 exercise of such shares under the first tranche of the Five Month Warrant at a purchase price of $3.00 per share or $150,000 in the aggregate, were redeemed by the Company at a fair value of $112,500 upon the issuance and in exchange for an 8% convertible redeemable promissory note in the principal amount of $150,000 (the "Delafield Note") due December 2, 2018. The Company recorded a $37,500 loss on settlement related to the cancellation of shares and issuance of the note. The note matures two years from the issuance date at which time any outstanding principal and interest is then due and payable. The Delafield Note is convertible into shares of Common Stock at a conversion price equal to 65% of the average of the three lowest closing bid prices of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. The Delafield Note may be prepaid at any time at 135% of the principal amount plus any accrued interest. Upon an event of default, principal and accrued interest will become immediately due and payable and interest will accrue at a default interest rate of 18% per annum or the highest rate of interest permitted by law. This convertible notes is treated as stock settled debt under ASC 480 and accordingly the Company recorded an $80,769 put premium. As of December 31, 2017, the Company recorded accrued interest of $12,986 and the $150,000 remained outstanding.

In addition, the Company issued the Purchaser a two-year common stock purchase warrant to purchase 104,000 shares of Common Stock at an exercise price of $12.50 per share (the "New Warrant"). The exercise price and number of shares of Common Stock issuable under the New Warrant are subject to adjustments for certain reclassifications, subdivision or combination of shares. The New Warrant is being treated as a modification of an existing warrant under ASC 718-20-35-3 and has determined that since the valuation of the New Warrant does not exceed the value of the 2016 Warrants, the Company continued to amortize the remainder of the $910,178 value of the 2016 Warrant.

March Letter Agreement

On March 17, 2017, the Company entered into a Letter Agreement (the "March Letter Agreement") with the Purchaser pursuant to which the parties have agreed to revise certain terms of the Debenture. The Company and the Purchaser have agreed to extend the maturity date of the Debenture to September 30, 2017. In consideration for the extension of the maturity date, the Company began incurring interest on the aggregate unconverted and outstanding principal amount of the debenture as of February 28, 2017 ($911,294) based on the terms of the original debenture. Interest began accruing on February 28, 2017 and will accrue through and including December 31, 2017.

April Letter Agreement

On April 7, 2017, the Company entered into a letter agreement with the Purchaser pursuant to which the parties agreed that on April 5, 2017, the Purchaser rescinded its conversion notice and returned 24,478 shares of the Company's Common Stock to the Company to be held in treasury. These shares were issued to the Purchaser on February 21, 2017 as a result of its conversion of a portion of the Debenture.

The Purchaser further agreed that it would take no action to convert any further principal balance of the Debenture or sell any shares of the Company's Common Stock until the earliest of April 10, 2017, or one trading day after the Company had anticipated effecting its planned reverse stock split at a ratio of 1-for-250.

The remaining principal balance of the Debenture was increased by an amount equal to the number of shares of Common Stock being returned to the Company multiplied by the conversion price provided for in the Debenture on the date of conversion or $46,477, resulting in a new principal balance of $957,771 as of close of business on April 5, 2017. The Company will continue to pay interest on the aggregate unconverted and outstanding principal amount of the Debenture pursuant to its terms, with interest on the returned amount of principal beginning to accrue on April 5, 2017.

September Letter Agreement

On September 30, 2017, the Company entered into a letter agreement (the "September Letter Agreement") with the Purchaser pursuant to which the Company and the Purchaser have agreed to revise certain terms of the Debenture.

Pursuant to the September Letter Agreement, the Company and the Purchaser agreed to extend the maturity dates of the Debenture and the Additional Issuance Debenture to December 15, 2017. In addition, from the period beginning on September 30, 2017 through and including December 15, 2017, the Company will pay interest to the Purchaser on the aggregate unconverted and then outstanding principal amounts of both the Debenture and the Additional Issuance Debenture, each pursuant to its terms.

Further, the Purchaser expressly agreed to waive compliance by the Company with Section 8 of the Debenture and Section 8 of the Additional Issuance Debenture, respectively, which required payment by the Company of the outstanding amounts of principal and interest due under both instruments on September 30, 2017. This waiver is not deemed to constitute an agreement by the Purchaser to waive any other event of default under the Debenture or the Additional Issuance Debenture that may exist as of the date the Letter Agreement was entered into.

The total principal amount outstanding under the above Delafield Financing Agreements, specifically the Debenture, as amended, the Additional Issuance Debenture and the Delafield Note was $490,181 as of December 31, 2017 and accrued interest totalled $16,899. On January 2, 2018 the debt was purchased and the $490,181 principal balance and accrued interest of $16,899 was paid in full (see Note 11).

Eagle Equities Finance Agreements

December 12, 2016 Securities Purchase Agreement

On December 12, 2016, the Company entered into a Securities Purchase Agreement, with Eagle Equities, pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $100,000. The first note (the "December 12 Note") was funded with cash and the second note (the "December 12 Eagle Back-End Note") was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the "December 12 Note Receivable"). The terms of the December 12 Eagle Back-End Note require cash funding prior to any conversion thereunder. The December 12 Note Receivable is due December 12, 2017, unless certain conditions are not met, in which case both the December 12 Eagle Back-End Note and the December 12 Note Receivable may both be cancelled. Both the December 12 Note and the December 12 Eagle Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The outstanding principal amounts plus accrued interest under both the December 12 Note and the December 12 Eagle Back-End Note are convertible into Common Stock at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On April 11, 2017, the Company received payment of the December 12 Note Receivable in the amount of $100,000 that offset the December Eagle Back-End Note. Proceeds from the Note Receivable of $5,000 were paid directly to legal fees resulting in net cash proceeds of $95,000 received by the Company. As a result, the December 12 Eagle Back-End Note is now convertible. The December 12 Note and the December 12 Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company recorded a put premium of $66,667 as each of the notes were funded. The Company has recorded $2,075 of accrued interest on the December 12 Note and total principal outstanding as of December 31, 2017 was $25,200 as $74,800 was converted in the six months ended December 31, 2017 (see Note 6). The Company has recorded $4,471 of accrued interest on the December 12 Eagle Back-End Note as of December 31, 2017 and total principal outstanding on the December 12 Eagle Back-End Note as of December 31, 2017 was $100,000.

Neither the December 12 Note nor the Eagle Back-End Note may be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

December 21, 2016 Securities Purchase Agreement

On December 21, 2016, the Company entered into a Securities Purchase Agreement with Eagle Equities pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $157,500. The first note (the “December 21 Note”) was funded with cash and the second note (the “December 21 Eagle Back-End Note”) was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the “December 21 Note Receivable”). The terms of the December 21 Eagle Back-End Note require cash funding prior to any conversion thereunder. The December 21 Note Receivable is due December 21, 2017, unless certain conditions are not met, in which case both the December 21 Eagle Back-End Note and the December 21 Note Receivable may both be cancelled. Both the December 21 Note and the December 21 Eagle Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The outstanding principal amounts plus accrued interest under both the December 21 and the December 21 Eagle Back-End Note are convertible into common stock at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On May 4, 2017, the Company received payment of the December 21 Note Receivable in the amount of $157,500 that offset the December 21 Eagle Back-End Note. Proceeds from the Note Receivable of $7,500 were paid directly to legal fees resulting in net cash proceeds of $150,000 received by the Company. As a result, the December 21 Back-End Note is now convertible. The December 21 Note and the December 21 Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company recorded a put premium of $105,000 as each of the notes were funded. As of December 31, 2017, the outstanding principal under the December 21 Note and the December 21 Back-End Note along with $7,773 and $5,656, respectively, of accrued interest was fully converted (see Note 6) and the repayments resulted in a full reduction of the put premiums.

The December 21 Eagle Back-End Note may not be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the December 21 Eagle Back-End Note. Additionally, upon an event of default, the December 21 Eagle Back-End Note will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Since the December 21 Eagle Back-End Note is not convertible until the December 21 Note Receivable is paid, and the December 21 Note Receivable and December 21 Eagle Back-End Note have a right of setoff, the December 21 Note Receivable and December 21 Eagle Back-End Note and related accrued interest receivable and payable will be netted for purposes of presentation on the balance sheet.

January 27, 2017 Securities Purchase Agreement

On January 27, 2017, the Company entered into a Securities Purchase Agreement with Eagle Equities, LLC, pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $230,000. The first note (the “January Note”) was funded with cash and the second note (the “January Eagle Back-End Note”) was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the “January Note Receivable”). The terms of the January Eagle Back-End Note require cash funding prior to any conversion thereunder. The January Note Receivable is due September 27, 2017, unless certain conditions are not met, in which case both the January Eagle Back-End Note and the January Note Receivable may both be cancelled. Both the January Note and the January Eagle Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The outstanding principal amounts plus accrued interest under both the January Note and the January Eagle Back-End Note are convertible into Common Stock of the Company at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On May 4, 2017, the Company received a partial payment of the January Note Receivable in the amount of $40,000 and on June 3, 2017 the balance of $190,000 was funded, of which $11,250 was paid directly to legal fees. As a result, the January Eagle Back-End Note is now convertible. The January Note and the January Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company is recording a put premium of $153,333 as each of the notes were funded. The Company has recorded $17,089 of accrued interest as of December 31, 2017 for the January Note and total principal outstanding under the January Note as of December 31, 2017 was $230,000. The Company has recorded $10,950 of accrued interest as of December 31, 2017 for the January Eagle Back-End and total principal outstanding under the January Eagle Back-End Note as of December 31, 2017 was $230,000.

Neither the January Note nor the January Eagle Back-End Note may be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

March 1, 2017 Securities Purchase Agreement

On March 1, 2017, the Company entered into a Securities Purchase Agreement with Eagle Equities, pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $220,500. The first note (the “March Note”) was funded with cash and the second note (the “March Eagle Back-End Note”) was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the “March Note Receivable”). The terms of the March Eagle Back-End Note require cash funding prior to any conversion thereunder. Both the March Note and the March Eagle Back-End Note have a maturity date of March 1, 2018, upon which any outstanding principal and interest is due and payable. The outstanding principal amounts plus accrued interest under both the March Note and the March Eagle Back-End Note are convertible into Common Stock, of the Company at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On July 5, 2017, the Company received payment of the March Note Receivable in the amount of $220,500 that offset the March Eagle Back-End Note. Proceeds from the Note Receivable of $10,500 were paid directly to legal fees resulting in net cash proceeds of $210,000 received by the Company. As a result, the March Eagle Back-End Note is now convertible. The March Note and the March Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company recorded a put premium of $147,000 as each of the notes were funded. The Company has recorded $11,293 of accrued interest as of December 31, 2017 for the March Note and total principal outstanding as of December 31, 2017 under the March Note was $168,500 as $52,000 was converted during the six months ended December 31, 2017 (see Note 6). The Company has recorded $8,699 of accrued interest as of December 31, 2017 for the March Eagle Back-End Note and total principal outstanding as of December 31, 2017 under the March Eagle Back-End Note was $220,500.

Neither the March Note nor the March Eagle Back-End Note may be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

August 9, 2017 Securities Purchase Agreement

On August 9, 2017, the Company entered into a Securities Purchase Agreement dated as of August 8, 2017, with Eagle Equities, LLC, pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $200,000. The first note (the “August Note”) was funded with cash and the second note (the “August Eagle Back-End Note”) was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the “August Note Receivable”). The terms of the August Eagle Back-End Note require cash funding prior to any conversion thereunder. The August Note Receivable is due August 8, 2018, unless certain conditions are not met, in which case both the August Eagle Back-End Note and the August Note Receivable may both be cancelled. Both the August Note and the August Eagle Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The outstanding principal amounts plus accrued interest under both the August Note and the August Eagle Back-End Note are convertible into Common Stock of the Company at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On September 14, 2017, the Company received payment of the August Note Receivable in the amount of $200,000 that offset the August Eagle Back-End Note. Proceeds from the Note Receivable of $10,000 were paid directly to legal fees resulting in net cash proceeds of $190,000 received by the Company. As a result, the August Eagle Back-End Note is now convertible. The August Note and the August Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company recorded a put premium of $133,333 as each of the notes were funded. The Company has recorded $6,400 of accrued interest as of December 31, 2017 for the August Note and total principal outstanding as of December 31, 2017 under the August Note was $200,000. The Company has recorded $4,778 of accrued interest as of December 31, 2017 for the August Eagle Back-End Note and total principal outstanding as of December 31, 2017 under the August Eagle Back-End Note was $200,000.

The August Note may be prepaid with certain penalties within 180 days of issuance. The August Back-End Note may not be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

October 25, 2017 Securities Purchase Agreement

On November 3, 2017, the Company entered into a Securities Purchase Agreement dated as of October 25, 2017, with Eagle Equities, pursuant to which Eagle Equities purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $200,000. The first note (the “October Note”) was funded with cash and the second note (the “October Eagle Back-End Note”) was initially paid for by an offsetting promissory note issued by Eagle Equities to the Company (the “October Note Receivable”). The terms of the October Eagle Back-End Note require cash funding prior to any conversion thereunder. The October Note Receivable is due June 25, 2018, unless certain conditions are not met, in which case both the October Eagle Back-End Note and the October Note Receivable may both be cancelled. Both the October Note and the October Eagle Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The amounts cash funded plus accrued interest under both the October Note and the October Eagle Back-End Note are convertible into common stock, par value $0.001 (the “Common Stock”), of the Company at a conversion price equal to 60% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. On December 6, 2017, the Company received payment of the October Note Receivable in the amount of $200,000 that offset the October Eagle Back-End Note. Proceeds from the October Note Receivable of $10,000 were paid directly to legal fees resulting in net cash proceeds of $190,000 received by the Company. As a result, the October Eagle Back-End Note is now convertible. The October Note and the October Eagle Back-End Note are treated as stock settled debt under ASC 480 and accordingly the Company recorded a put premium of $133,333 as each of the notes were funded. The Company has recorded $2,674 of accrued interest as of December 31, 2017 for the October Note and total principal outstanding as of December 31, 2017 under the October Note was $200,000. The Company has recorded $1,140 of accrued interest as of December 31, 2017 for the October Eagle Back-End Note and total principal outstanding as of December 31, 2017 under the October Eagle Back-End Note was $200,000.

The October Note may be prepaid with certain penalties within 180 days of issuance. The October Eagle Back-End Note may not be prepaid.

Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Eagle Equities finance agreements, specifically the December 12, 2016, December 21, 2016, January 27, 2017, the March 1, 2017, the August 9, 2017, and the October 25, 2017 agreements was $1,774,200 as of December 31, 2017 and accrued interest totaled $69,569.

GS Capital Financing Agreements

May 26, 2017 Securities Purchase Agreement

On May 26, 2017, the Company entered into a Securities Purchase Agreement with GS Capital Partners, LLC (“GS Capital”), dated as of May 17, 2017, pursuant to which GS Capital purchased an 8% convertible redeemable junior subordinated promissory note in the principal amount of $160,000. The note has a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The note may be prepaid with certain penalties within 180 days of issuance. The amounts funded plus accrued interest are convertible at any time after 180 days into common stock at a conversion price equal to 62% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, including the date upon which the conversion notice was received by the Company, subject to adjustment in certain events. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a $98,065 put premium. The Company has recorded $5,384 of accrued interest as of December 31, 2017. Total principal outstanding as of December 31, 2017 was $90,000 as $70,000 was converted during the six months ending December 31, 2017 (see Note 6).

July 24, 2017 Securities Purchase Agreement

On July 24, 2017, the Company entered into Securities Purchase Agreements, with GS Capital, pursuant to which GS Capital purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $160,000. The first note (the “July Note”) was funded with cash and the second note (the “July Back-End Note”) was initially paid for by an offsetting promissory note issued by GS Capital to the Company (the “July Note Receivable”). The terms of the July Back-End Note require cash funding prior to any conversion thereunder. The July Note Receivable is due March 24, 2018, unless certain conditions are not met, in which case both the July Back-End Note and the July Note Receivable may both be cancelled. Both the July Note and the July Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The amounts cash funded plus accrued interest under both the July Note and the July Back-End Note are convertible into Common Stock of the Company at a conversion price equal to 62% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a $98,065 put premium. The Company has recorded $5,646 of accrued interest as of December 31, 2017 for the July note. Total principal outstanding under the July Note as of December 31, 2017 was $160,000.

The July Note may be prepaid with certain penalties within 180 days of issuance. The July Back-End Note may not be prepaid. However, in the event the July Note is redeemed within the first six months of issuance prior to cash funding of the July Note Receivable, both the July Back-End Note and the July Note Receivable will be deemed cancelled and of no further effect.

The July Back-End Note will not be cash funded and such note, along with the July Note Receivable, will be immediately cancelled if the shares do not maintain a minimum trading price during the five days prior to such funding and a certain aggregate dollar trading volume during such period. Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

September 21, 2017 Securities Purchase Agreement

On September 21, 2017, the Company entered into Securities Purchase Agreements, with GS Capital, dated as of September 12, 2017, pursuant to which GS Capital purchased two 8% convertible redeemable junior subordinated promissory notes, each in the principal amount of $160,000. The first note (the "September Note") was funded with cash and the second note (the "September Back-End Note") was initially paid for by an offsetting promissory note issued by GS Capital to the Company (the "September Note Receivable"). The terms of the September Back-End Note require cash funding prior to any conversion thereunder. The September Note Receivable is due March 24, 2018, unless certain conditions are not met, in which case both the September Back-End Note and the September Note Receivable may both be cancelled. Both the September Note and the September Back-End Note have a maturity date one year from the date of issuance upon which any outstanding principal and interest is due and payable. The amounts cash funded plus accrued interest under both the September Note and the September Back-End Note are convertible into Common Stock of the Company at a conversion price equal to 62% of the lowest closing bid price of the Common Stock for the ten trading days prior to the conversion, subject to adjustment in certain events. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a $98,065 put premium. The Company has recorded $3,893 of accrued interest as of December 31, 2017 for the September Note. Total principal outstanding under the September Note as of December 31, 2017 was $160,000.

The September Note may be prepaid with certain penalties within 180 days of issuance. The September Back-End Note may not be prepaid. However, in the event the September Note is redeemed within the first six months of issuance prior to cash funding of the September Note Receivable, the September Back-End Note and the September Note Receivable will be deemed cancelled and of no further effect.

The September Back-End Note will not be cash funded and such note, along with the September Note Receivable, will be immediately cancelled if the shares do not maintain a minimum trading price during the five days prior to such funding and a certain aggregate dollar trading volume during such period. Upon an event of default, principal and accrued interest will become immediately due and payable under the notes. Additionally, upon an event of default, both notes will accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Regal Consulting Agreements

November 2016 Consulting Agreement

On November 18, 2016 (the "Effective Date"), the Company entered into a consulting agreement with Regal Consulting, LLC (the "Consultant"). As compensation for services rendered, the Company issued two fully earned $250,000 convertible junior subordinated promissory notes. Both notes have a two year maturity date and interest of 10% per annum. Both notes are junior and subordinate in all respects to the existing debt of the Company. These notes may not be prepaid without the written consent of the Consultant.

The Company issued the first $250,000 convertible note on November 18, 2016. This note is convertible at a conversion price of the lesser of $2.50 or 65% of the average of the three lowest 10 trading days prior to the conversion. An aggregate total of $255,757 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2017, $27,500 of principal and accrued interest of $1,664 was converted into shares of the Company's common stock. As of December 31, 2017, the outstanding principal balance of the note along with $19,639 of accrued interest was converted into shares of the Company's Common Stock (See Note 6) and the repayment resulted in a full reduction of the put premium.

The Company issued the second $250,000 convertible note on February 16, 2017. This note is convertible at a conversion price of the lesser of $2.50 or 65% of the average of the three lowest 10 trading days prior to the conversion. An aggregate total of $409,416 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. As of December 31, 2017, the Company recorded accrued interest of $16,394 for this note. Total principal outstanding as of December 31, 2017 was $210,000 as $40,000 was converted during the six months ending December 31, 2017 (see Note 6).

August 10, 2017 Consulting Agreement

On August 10, 2017, the Company entered into an agreement, retroactive to May 16, 2017, with the Consultant, pursuant to which the Consultant agreed to provide certain consulting and business advisory services in exchange for a $310,000 junior subordinated convertible note. The note accrues interest at a rate of 10% per annum and is convertible into common stock at the lesser of $1.50 or 65% of the three lowest trades in the ten trading days prior to the conversion. The note was fully earned upon signing the agreement and matures on August 10, 2019. This note may not be prepaid without the written consent of the Consultant. The Company accrued $155,000 related to this expense at June 30, 2017 and recorded the remaining $155,000 related to this expense in the six months ended December 31, 2017. Upon an event of default, principal and accrued interest will become immediately due and payable under the Consulting Note. Additionally, upon an event of default the note would accrue interest at a default interest rate of 18% per annum or the highest rate of interest permitted by law. The agreement had a three-month term and expired on August 16, 2017. An aggregate total of $578,212 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value (See Note 10). The Company has recorded accrued interest for this note of $12,230 as of December 31, 2017. Total principal outstanding under this note as of December 31, 2017 was $310,000.

The Company recorded $310,000 of debt discounts related to the above note issuances during the six months ended December 31, 2017. The debt discounts are being amortized over the term of the debt.

Amortization of all debt discounts for the six months ended December 31, 2017 and 2016 was $400,284 and $1,371,171, respectively.

See Note 11 – Subsequent Events for information about financing post December 31, 2017.

NOTE 6 – STOCKHOLDERS' DEFICIT

Preferred Stock:

The total number of preferred shares authorized and that may be issued by the Company is 1,500,005 preferred shares with a par value of $0.01. These preferred shares have no rights to dividends, profit sharing or liquidation preferences.

Of the total preferred shares authorized, pursuant to the Certificate of Designation filed on December 9, 2014, 1,500,000 have been designated as Series A preferred stock, with a par value of $0.01 ("Series A Preferred Stock"), of which 500,000 are issued and outstanding as of December 31, 2017. Each holder of outstanding shares of Series A Preferred Stock shall be entitled to voting power equivalent to two shares of Common stock for each share of Series A Preferred Stock held and entitled to vote on all matters, except election or removal of directors of the Company, submitted to a vote of the stockholders of the Company.

Of the total preferred shares authorized, pursuant to the Certificate of Designation filed on June 16, 2015, up to five shares have been designated as Series B preferred stock, with a par value of $0.01 ("Series B Preferred Stock") and 1 share is issued and outstanding at December 31, 2017. Each holder of outstanding shares of Series B Preferred Stock shall be entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company.

Common Stock:

Shares issued for services

On August 1, 2017, the Company received an invoice for $30,000 from a third party for six months of consulting services during the period of February 1, 2017 through July 31, 2017. The invoice is payable in shares of the Company's common stock. The Company has recorded $25,000 in consulting fees related to this invoice for the year ended June 30, 2017 and the balance was recorded in the six months ended December 31, 2017. As of the date of filing, none of these shares have been issued.

On May 10, 2017, the Company entered into a seven month agreement from May 10, 2017 through January 10, 2018, excluding August 2017, with a third party for growth strategy consulting services whereby the Company would issue and deliver to the third party, 7,500 shares of common stock per month as consideration for services. Shares will be valued on the 10th day of the month they are earned. The contract was terminated in September 2017 and as of December 31, 2017, the Company has recorded consulting fees for 15,000 shares related to two months of services or $9,844. As of the date of filing, no shares have been issued and the Company is negotiating a settlement with the consultant.

On December 29, 2017, the Company entered into a one-year consulting agreement with Alan Morell (the “Consultant”) for certain consulting, advisory and media services. As compensation for such services, the Company agreed to pay (i) an hourly fee of $950 per hour, for up to $71,250 of time-based services; (ii) $9,772 for the preparation of certain marketing materials; (iii) an upfront fee of 500,000 restricted shares of the Company’s common stock, with up to 750,000 additional shares to be issued on the six month anniversary of the date of the consulting agreement at the Company’s sole discretion, and (iv) a marketing bonus equal to 6% of the value of any: (x) business collaboration with the Company which is identified or introduced by the Consultant; or (y) joint venture, licensing, collaboration or similar monetization or strategic transaction (other than any capital-raising transaction) which is identified or introduced by the Consultant. The Company may, in its sole discretion, pay any of the aforementioned fees in cash or shares of the Company’s common stock. If such fees are paid in stock, the number of shares to be paid shall be calculated by dividing the dollar amount of time (or value of the transaction, as the case may be) invoiced in such pay period by, as of the applicable calculation date, the most recent price at which the Company has sold shares of its common stock (or securities convertible into common stock) in a bona fide public or private financing including third party investors. The Company valued the 500,000 shares based on the market price on the agreement date of $0.14 and will recognize $70,000 of consulting expense through the term of the agreement. For the six months ended December 31, 2017, the Company has recorded $576 related to this agreement. As of the filing of this report the 500,000 shares have not been issued.

During the six months ended December 31, 2017, The Company issued 130,000 shares of common stock that was recorded as issuable at June 30, 2017.

Shares issued for conversion of convertible debt

On July 5, 2017, pursuant to a conversion notice, $26,000 of principal and $1,121 of interest was converted at $0.54 into 49,946 shares of common stock.

On July 13, 2017, pursuant to a conversion notice, $42,500 of principal was converted at $0.63 into 67,694 shares of common stock.

On July 17, 2017, pursuant to a conversion notice, $16,000 of principal and $732 of interest was converted at $0.40 into 41,623 shares of common stock.

On July 20, 2017, pursuant to a conversion notice, $28,000 of principal and $1,300 of interest was converted at $0.29 into 101,738 shares of common stock.

On July 28, 2017, pursuant to a conversion notice, $22,500 in principal and $1,593 in interest was converted at $0.26 into 93,365 shares of common stock.

On August 2, 2017, pursuant to a conversion notice, $20,000 of principal was converted at $0.28 into 70,897 shares of common stock.

On August 2, 2017, pursuant to a conversion notice, $25,000 of principal and $1,233 of interest was converted at $0.21 into 124,921 shares of common stock.

On August 16, 2017, pursuant to a conversion notice, $25,000 of principal and $1,311 of interest was converted at $0.23 into 112,441 shares of common stock.

On August 17, 2017, pursuant to a conversion notice, $20,000 of principal was converted at $0.30 into 66,171 shares of common stock.

On August 22, 2017, pursuant to a conversion notice, $20,000 of principal and $1,500 of interest was converted at $0.25 into 84,812 shares of common stock.

On August 25, 2017, pursuant to a conversion notice, $25,000 of principal and $1,361 of interest was converted at $0.23 into 112,654 shares of common stock.

On August 29, 2017, pursuant to a conversion notice, $20,000 of principal was converted at $0.24 into 81,926 shares of common stock.

On September 3, 2017, pursuant to a conversion notice, $20,000 of principal and $1,661 of interest was converted at $0.20 into 106,390 shares of common stock.

On September 6, 2017, pursuant to a conversion notice, $12,500 of principal and $714 of interest was converted at $0.19 into 71,042 shares of common stock.

On September 8, 2017, pursuant to a conversion notice, $20,000 of principal was converted at $0.24 into 83,247 shares of common stock.

On September 14, 2017, pursuant to a conversion notice, $15,000 of principal and $450 of interest was converted at $0.15 into 103,000 shares of common stock.

On September 14, 2017, pursuant to a conversion notice, $20,000 of principal and $1,665 of interest was converted at $0.16 into 138,878 shares of common stock.

On September 18, 2017, pursuant to a conversion notice, $20,000 of principal was converted at $0.19 into 107,527 shares of common stock.

On September 25, 2017, pursuant to a conversion notice, $20,000 of principal and $649 of interest was converted at $0.14 into 149,630 shares of common stock.

On September 26, 2017, pursuant to a conversion notice, $30,000 of principal was converted at $0.18 into 168,303 shares of common stock.

On September 26, 2017, pursuant to a conversion notice, $20,000 of principal and $1,716 of interest was converted at $0.15 into 145,257 shares of common stock.

On October 2, 2017, pursuant to a conversion notice, $25,000 of principal and $850 of interest was converted at $0.14 into 187,319 shares of common stock.

On October 4, 2017, pursuant to a conversion notice, $40,000 of principal was converted at $0.18 into 224,404 shares of common stock.

On October 5, 2017, pursuant to a conversion notice, $20,000 of principal and $1,716 of interest was converted at $0.15 into 145,257 shares of common stock.

On October 9, 2017, pursuant to a conversion notice, $30,000 of principal and $1,067 of interest was converted at $0.14 into 215,651 shares of common stock.

On October 10, 2017, pursuant to a conversion notice, $45,000 of principal was converted at $0.19 into 241,835 shares of common stock.

On October 11, 2017, pursuant to a conversion notice, $20,000 of principal and $1,812 of interest was converted at $0.16 into 139,762 shares of common stock.

On October 16, 2017, pursuant to a conversion notice, $20,000 of principal and $1,834 of interest was converted at $0.16 into 134,363 shares of common stock.

On October 18, 2017, pursuant to a conversion notice, $25,000 of principal and $939 of interest was converted at $0.13 into 196,507 shares of common stock.

On October 19, 2017, pursuant to a conversion notice, $30,000 of principal was converted at $0.16 into 193,549 shares of common stock.

On October 23, 2017, pursuant to a conversion notice, $20,000 of principal and $1,884 of interest was converted at $0.11 into 198,045 shares of common stock.

On October 24, 2017, pursuant to a conversion notice, $21,000 of principal and $817 of interest was converted at $0.11 into 202,006 shares of common stock.

On October 27, 2017, pursuant to a conversion notice, $15,000 of principal was converted at $0.09 into 159,958 shares of common stock.

On October 30, 2017, pursuant to a conversion notice, $8,750 of principal and $352 of interest was converted at $0.07 into 144,475 shares of common stock.

On October 30, 2017, pursuant to a conversion notice, $20,000 of principal and $1,902 of interest was converted at $0.07 into 300,851 shares of common stock.

On November 2, 2017, pursuant to a conversion notice, $5,000 of principal and $8,250 of interest was converted at $0.09 into 155,426 shares of common stock.

On November 6, 2017, pursuant to a conversion notice, $12,750 of principal and $533 of interest was converted at $0.05 into 245,158 shares of common stock.

On November 6, 2017, pursuant to a conversion notice, $17,500 of principal was converted at $0.07 into 250,897 shares of common stock.

On November 8, 2017, pursuant to a conversion notice, $20,000 in principal and $2,356 in interest was converted at $0.06 into 382,153 shares of common stock.

On November 13, 2017 pursuant to a conversion notice, $11,000 in principal and $623 in interest was converted at $0.05 into 215,247 shares of common stock.

On November 15, 2017 pursuant to a conversion notice, $20,000 in principal and $2,443 in interest was converted at $0.06 into 383,641 shares of common stock.

On November 17, 2017 pursuant to a conversion notice, $15,000 in principal was converted at $0.07 into 215,054 shares of common stock.

On November 26, 2017 pursuant to a conversion notice, $20,000 in principal and $2,568 in interest was converted at $0.06 into 385,777 shares of common stock.

On November 27, 2017 pursuant to a conversion notice, $20,000 in principal and $1,196 in interest was converted at $0.05 into 392,510 shares of common stock.

On December 1, 2017 pursuant to a conversion notice, $20,000 in principal and $802 in interest was converted at $0.06 into 372,799 shares of common stock.

On December 6, 2017 pursuant to a conversion notice, $21,000 in principal and $1,297 in interest was converted at $0.05 into 412,914 shares of common stock.

On December 8, 2017 pursuant to a conversion notice, $9,900 in principal and $792 in interest was converted at $0.05 into 198,000 shares of common stock.

On December 8, 2017 pursuant to a conversion notice, $42,666 in principal was converted at $0.07 into 611,699 shares of common stock.

On December 11, 2017 pursuant to a conversion notice, $9,900 in principal and $799 in interest was converted at $0.05 into 198,122 shares of common stock.

On December 11, 2017 pursuant to a conversion notice, $27,000 in principal and $1,142 in interest was converted at $0.06 into 504,339 shares of common stock.

On December 11, 2017 pursuant to a conversion notice, $42,666 in principal was converted at $0.07 into 611,699 shares of common stock.

On December 15, 2017 pursuant to a conversion notice, $56,758 in principal was converted at $0.08 into 732,362 shares of common stock.

On December 18, 2017 pursuant to a conversion notice, $30,000 in principal and $2,467 in interest was converted at $0.07 into 478,859 shares of common stock.

On December 19, 2017 pursuant to a conversion notice, $23,000 in principal and $1,013 in interest was converted at $0.07 into 368,867 shares of common stock.

On December 21, 2017 pursuant to a conversion notice, $63,000 in principal was converted at $0.08 into 789,227 shares of common stock.

On December 22, 2017 pursuant to a conversion notice, $25,000 in principal and $2,078 in interest was converted at $0.06 into 429,806 shares of common stock.

The Company has 77,265,822 shares reserved for future issuances based on lender requirements at December 31, 2017.

Options:

On April 14, 2016 ("Grant Date"), the Board of Directors of the Company, through unanimous written consent, granted 286,000 and 286,000 stock options at an exercise price of $7.50 (market value of the Company's stock on Grant Date), to its CEO and to a director, respectively. 95,333 of such stock options vested on April 14, 2016 and expire on April 14, 2021, 95,333 of such stock options shall vest on April 14, 2017 (first anniversary of Grant Date) and expire on April 14, 2021 and 95,333 of such stock options shall vest on April 14, 2018 (second anniversary of Grant Date) and expire on April 14, 2021. The fair value of each of the 286,000 options at Grant Date was $1,962,440 (aggregate total of $3,924,880).

The Company expensed $329,761 for these stock options during the six months ended December 31, 2017. The Company has unrecognized stock option expense of $324,385 as of December 31, 2017.

Warrants:

As of December 31, 2017, there were 149,517 warrants outstanding and exercisable with expiration dates commencing December 2018 and continuing through November 2020.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company may be involved in litigation relating to claims arising out of the Company's operations in the normal course of business. As of December 31, 2017, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

IRS Liability

As part of its requirement for having a foreign operating subsidiary, the Company is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014 the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company has incurred a penalty from the IRS in the amount of $10,000 per year, or $30,000, plus accrued interest. The Company recorded the penalties for all three years during the year ended June 30, 2017 and is negotiating a payment plan. The Company is current on all subsequent filings.

Operating Agreements

In November 2009, the Company entered into a commercialization agreement with the University of Bath (UK) (the "University") whereby the Company and the University co-owned the intellectual property relating to the Company's pro-enzyme formulations. In June 2012, the Company and the University entered into an assignment and amendment whereby the Company assumed full ownership of the intellectual property while agreeing to pay royalties of 2% of net revenues to the University. Additionally, the Company agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

Operating Leases

On May 4, 2016, the Company entered into a new five-year operating lease agreement with a related party with monthly rent of $3,300 AUD, inclusive of GST (See Note 8).

Future minimum operating lease commitments consisted of the following at December 31, 2017:

Fiscal Year Ended June 30,	Amount (USD)	
Remainder 2018	$	15,474
2019	$	30,947
2020	$	30,947
2021	$	25,790

Rent expense for the six months ended December 31, 2017 and 2016 were $15,729 and $14,588, respectively.

Amatsigroup Agreement

The Company entered into a Manufacturing Services Agreement (the "MSA") and Quality Assurance Agreement (the "QAA"), each with an effective date of August 12, 2016, with Amatsigroup NV ("Amatsigroup"), formerly known as Q-Biologicals, NV, a contract manufacturing organization located in Belgium. Pursuant to the MSA, Amatsigroup will produce certain drug substances and product containing certain enzymes at its facility in Belgium. The Company will use these substances and products for development purposes, including but not limited to clinical trials. The MSA contemplates payment to Amatsigroup pursuant to a pre-determined fee schedule based on the completion of certain milestones that depend on our manufacturing requirements and final batch yield. The Company anticipates that its payments to Amatsigroup under the MSA will range between $2.5 million and $5.0 million over five years, with the majority of the expenditures occurring during the first two years of the MSA when the finished drug product is manufactured and released for clinical trials. The Company has incurred $1,592,963 of costs to date under the contract. The MSA shall continue for a term of six years unless extended by mutual agreement in writing. The Company can terminate the MSA early for any reason upon the required notice period, however, in such event, the pre-payment paid upon signing the MSA is considered non-refundable. The QAA sets forth the parties respective obligations and responsibilities relating to the manufacturing and testing of the products under the MSA. The agreements with Amatsigroup contain certain customary representations, warranties and limitations of liabilities, and confidentiality and indemnity obligations.

NOTE 8 – RELATED PARTY TRANSACTIONS

Since its inception, the Company has conducted transactions with its directors and entities related to such directors. These transactions have included the following:

As of December 31, 2017 and June 30, 2017, the Company owed a current and former director a total of $57,831 and $56,802, respectively, for money loaned to the Company throughout the years. The loan balance owed at December 31, 2017 was not interest bearing (See Note 4).

As of December 31, 2017 and June 30, 2017, the Company owed its two current directors a total of $35,842 and $35,204, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property (See Note 3).

Effective May 5, 2016, we entered into an agreement for the lease of our principal executive offices with North Horizon Pty Ltd., of which Mr. Nathanielsz and his wife are owners and directors. The lease has a five year term and provides for annual rental payments of $39,600 AUD, which includes $3,600 of goods and service tax for total payments of $198,000 AUD during the term of the lease. As of December 31, 2017, total payments of $132,000 AUD remain on the lease.

Mr. Nathanielsz's wife, Sylvia Nathanielsz, is and has been an employee of ours since October 2015. Mrs. Nathanielsz receives an annual salary of $58,613 and is entitled to customary benefits.

According to a February 25, 2016 board resolution, James Nathanielsz shall be paid $4,481 AUD, on a monthly basis for the purpose of acquiring and maintaining an automobile. For the six months ended December 31, 2017, a total of $20,956 in payments have been made with regards to the board resolution.

As per the unanimous written consent of the Board of Directors, on August 15, 2016, James Nathanielsz was granted a $250,000 bonus for accomplishments obtained while operating as the chief executive officer. A total of $130,000 in payments have been made in the year ended June 30, 2017. The remaining $120,000 was paid during the six months ended December 31, 2017.

NOTE 9 – CONCENTRATIONS AND RISKS

<u>Concentration of Credit Risk</u>

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through December 31, 2017.

<u>Receivable Concentration</u>

As of December 31, 2017 and June 30, 2017, the Company's receivables were 100% related to reimbursements on GST taxes paid.

Patent and Patent Concentration

The Company has filed six patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore and South Africa. In Brazil, Canada, Europe, Malaysia, Mexico and South Korea, the patent application remains under examination.

In 2016 and early 2017 we filed five other patent applications. Two applications were filed in Spain, where one is currently under examination, and one was filed in the United States. Two others were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

Foreign Operations

As of December 31, 2017 and June 30, 2017, the Company's operations are based in Australia.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application to the European Medicines Agency as a small and medium-sized enterprise. As of December 31, 2017, there has been no activity within this entity.

NOTE 10 - DERIVATIVE FINANCIAL INSTRUMENTS and FAIR VALUE MEASUREMENTS

Derivative Financial Instruments:

The Company applies the provisions of ASC 815-40, *Contracts in Entity's Own Equity*, under which convertible instruments and warrants, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, warrants and embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company has 12,000 warrants and $860,181 of convertible debt, which are treated as derivative instruments outstanding at December 31, 2017.

The Company calculates the estimated fair values of the liabilities for derivative instruments using the Binomial Trees Method. The closing price of the Company's common stock at December 31, 2017 was $0.14. Volatility, expected remaining term and risk free interest rates used to estimate the fair value of derivative liabilities at December 31, 2017 are indicated in the table that follows. The volatility was based on historical volatility at December 31, 2017, the expected term is equal to the remaining term of the warrants and the risk free rate is based upon rates for treasury securities with the same term.

Warrants

	December 31, 2017
Volatility	217.69%
Expected remaining term (in years)	.75
Risk-free interest rate	1.71%
Expected dividend yield	None

Convertible Debt

	Initial Valuations (on new derivative instruments entered into during the three months ended December 31, 2017)	December 31, 2017
Volatility	n/a	172.75% – 199.23%
Expected Remaining Term (in years)	n/a	.21 - 1.86
Risk Free Interest Rate	n/a	1.28% - 1.87%
Expected dividend yield	None	None

Fair Value Measurements:

The Company measures and reports at fair value the liability for derivative instruments. The fair value liabilities for price adjustable warrants and embedded conversion options have been recorded as determined utilizing the Binomial Trees model. The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31 2017:

	Balance at December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	$ 1,001,715	$ —	$ —	$ 1,001,715
Fair value of liability for warrant derivative instruments	$ 143	$ —	$ —	$ 143
Total	$ 1,001,858	$ —	$ —	$ 1,001,858

The following is a roll forward for the six months ended December 31, 2017 of the fair value liability of price adjustable derivative instruments:

	Fair Value of Liability for Derivative Instruments
Balance at June 30, 2017	$ 881,172
Effects of foreign currency exchange rate changes	60
Reductions due to conversions	(419,145)
Initial fair value of embedded conversion option derivative liability recorded as debt discount	310,000
Initial fair value of embedded conversion option derivative liability recorded as change in fair value of embedded conversion option	268,212
Change in fair value included in statements of operations	(38,441)
Balance at December 31, 2017	$ 1,001,858

NOTE 11 – SUBSEQUENT EVENTS

Conversions

On January 2, 2018 pursuant to a conversion notice, $25,000 in principal and $1,178 in interest was converted at $0.07 into 402,121 shares of common stock.

On January 3, 2018 pursuant to a conversion notice, $25,200 in principal and $2,162 in interest was converted at $0.06 into 434,311 shares of common stock.

On January 4, 2018 pursuant to a conversion notice, $25,000 in principal and $1,372 in interest was converted at $0.07 into 398,854 shares of common stock.

On January 9, 2018 pursuant to a conversion notice, $40,000 in principal and $4,581 in interest was converted at $0.07 into 630,384 shares of common stock.

On January 12, 2018 pursuant to a conversion notice, $25,000 in principal and $1,233 in interest was converted at $0.08 into 345,396 shares of common stock.

On January 12, 2018 pursuant to a conversion notice, $7,500 in principal and $875 in interest was converted at $0.07 into 116,000 shares of common stock.

On January 26, 2018 pursuant to a conversion notice, $30,000 in principal and $1,793 in interest was converted at $0.09 into 353,259 shares of common stock.

On January 30, 2018 pursuant to a conversion notice, $40,000 in principal and $2,130 in interest was converted at $0.09 into 492,407 shares of common stock.

On February 4, 2018 pursuant to a conversion notice, $22,500 in principal and $2,650 in interest was converted at $0.08 into 314,571 shares of common stock.

December 29, 2017 Securities Purchase Agreement

The Company entered into an executory contract on December 29, 2017, whereby the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the “Note”) from the Company in the aggregate principal amount of $532,435, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Eagle Equities at any time. The transactions closed on January 2, 2018.

The Note contains an original issue discount of $25,354 such that the purchase price is $507,081. The maturity date of the Note is December 29, 2018. The Note shall bear interest at a rate of 8% per annum, which interest shall be paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time.

Additionally, Eagle Equities has the option to convert all or any amount of the principal face amount of the Note, at any time, for shares of the Company’s common stock at a price equal to 60% of the lowest closing bid price of the Company’s common stock as reported on the OTC Markets Group, Inc. quotation system for the ten prior trading days, including the day upon which the Company receives a notice of conversion from Eagle Equities.

The Note may be prepaid with certain penalties until June 27, 2018.

The Company used all of the proceeds from the Note to pay off the remainder of its outstanding debt owed to Delafield Investments Limited, an affiliate of Magna Invests.

January 22, 2018 Securities Purchase Agreement

Effective January 22, 2018, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. (“Power Up”), pursuant to which Power Up purchased a convertible promissory note (the “Note”) from the Company in the aggregate principal amount of $153,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Power Up. The transactions closed on January 25, 2018 and the Company received payment on January 29, 2018 in the amount of $153,000 of which $2,500 was paid directly to legal fees and $500 to Power Up for due diligence fees resulting in net cash proceeds of $150,000.

The maturity date of the Note is January 22, 2019 (the "Maturity Date"). The Note shall bear interest at a rate of 8% per annum, which interest may be paid by the Company to Power Up in shares of common stock, but shall not be payable until the Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment. An aggregate total of $175,754 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value.

Additionally, Power Up has the option to convert all or any amount of the principal face amount of the Note, starting on July 21, 2018 and ending on the later of the Maturity Date and the date the Default Amount, hereinafter defined, is paid if an event of default occurs, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the Note shall be $0.065, subject to certain Market Price (as defined below) adjustment. If the Market Price is greater than or equal to $0.10, the conversion price shall be the greater of 65% of the Market Price ("Variable Conversion Price") and $0.065. In the event Market Price is less than $0.10, the conversion price shall be the Variable Conversion Price. As defined in the Note, the "Market Price" shall be the average of the lowest three closing bid prices during the ten day trading period prior to and including the day the Company receives a notice of conversion from Power Up on the electronic quotation system or applicable principal securities exchange or trading market or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" during the ten prior trading days, including the day upon which the Company receives a notice of conversion from Power Up. Notwithstanding the foregoing, Power Up shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Power Up and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

The Note may be prepaid within 180 days of issuance with certain penalties.

Authorized Share Increase

Effective January 23, 2018, the stockholders have authorized an increase in the number of authorized shares of the Company's common stock from 100,000,000 to 400,000,000.

Funding of Notes Receivable

On January 25, 2018, the Company received payment from GS Capital of the July 2017 Note Receivable in the amount of $160,000 that offset the July Back-End Note. Proceeds from the Note Receivable of $8,000 were paid directly to legal fees resulting in net cash proceeds of $152,000 received by the Company. As a result, the July Back-End Note is now convertible at a rate of 62% of the lowest trading bid price of the Common Stock for the ten prior trading days prior to the date the conversion notice is received (See Note 6).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information set forth in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). Such statements may include, among others (i) expected changes in Propanc Biopharma, Inc. (referred to herein as the "Company," "Propanc," "we," "our," "ours" and "us") revenues and profitability, (ii) prospective business opportunities and (iii) our strategy for financing our business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by the use of terms such as "may," "will," "estimate," "continue," "plan," "believe," "anticipate," "intend," or "expect" and other similar words. The ultimate correctness of these forward-looking statements is dependent upon a number of known and unknown risks and events and is subject to various uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance or achievements expressed or implied by these statements.

The following important factors, among others, could affect future results and events, causing those results and events to differ materially from those views expressed or implied in our forward-looking statements: our ability to continue as a going concern absent new debt or equity financings; our current reliance on substantial debt financing that we are unable to repay in cash; our ability to successfully remediate material weaknesses in our internal controls; our ability to reach research and development milestones as planned and within proposed budgets; our ability to control costs; our ability to obtain adequate new financing on reasonable terms; our ability to successfully develop PRP; our ability to obtain and maintain patent protection; our ability to recruit employees and directors with accounting and finance expertise; our dependence on third parties for services; our dependence on key executives; the impact of government regulations, including FDA regulations; the impact of any future litigation; the availability of capital and other economic, business and competitive factors.

All forward-looking statements included in this report are made only as of the date of this report or as indicated. We undertake no obligation to update or correct these forward-looking statements to reflect actual results or changes in factors or assumptions affecting forward-looking statements, except as required by law.

You should read the following MD&A in conjunction with the unaudited Consolidated Financial Statements and Notes attached hereto, and the other financial data appearing elsewhere in this Quarterly Report as well as the information under the heading "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

Notwithstanding the above, Section 21E of the Securities Exchange Act of 1934, as amended, expressly states that the safe harbor for forward looking statements does not apply to companies that issue penny stocks. Accordingly, the safe harbor for forward looking statements under the PSLRA is not currently available to the Company because we are an issuer of penny stock.

US Dollars are denoted herein by "USD," "$" and "dollars."

Overview

Propanc Biopharma, Inc. (the "Company," "we," "us," "our") was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary.

Effective April 20, 2017, the Company changed its name to "Propanc Biopharma, Inc." to better reflect the Company's stage of growth and development.

To date, we have generated no revenue, have no cancer treatment products available to market and have no products which have reached the clinical trial stage. We require substantial additional financing to develop our products.

Recent Developments

Power Up Lending Group Ltd. Financing

Effective January 22, 2018, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "Note") from the Company in the aggregate principal amount of $153,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Power Up. The transactions closed on January 25, 2018.

The maturity date of the Note is January 22, 2019 (the "Maturity Date"). The Note shall bear interest at a rate of 8% per annum, which interest may be paid by the Company to Power Up in shares of common stock, but shall not be payable until the Note becomes payable, whether at the Maturity Date or upon acceleration or by prepayment.

Additionally, Power Up has the option to convert all or any amount of the principal face amount of the Note, starting on July 21, 2018 and ending on the later of the Maturity Date and the date the Default Amount, hereinafter defined, is paid if an event of default occurs, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the Note shall be $0.065, subject to certain Market Price (as defined below) adjustment. If the Market Price is greater than or equal to $0.10, the conversion price shall be the greater of 65% of the Market Price ("Variable Conversion Price") and $0.065. In the event Market Price is less than $0.10, the conversion price shall be the Variable Conversion Price. As defined in the Note, the "Market Price" shall be the average of the lowest three closing bid prices during the ten day trading period prior to and including the day the Company receives a notice of conversion from Power Up on the electronic quotation system or applicable principal securities exchange or trading market or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" during the ten prior trading days, including the day upon which the Company receives a notice of conversion from Power Up. Notwithstanding the foregoing, Power Up shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Power Up and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

The Note may be prepaid until 180 days from the issuance date with certain penalties.

Eagle Equities Financing

Effective December 29, 2017, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Eagle Equities, LLC ("Eagle Equities"), pursuant to which Eagle Equities purchased a convertible promissory note (the "Note") from the Company in the aggregate principal amount of $532,435, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities at any time. The transactions closed on January 2, 2018.

On January 2, 2018, the Company repaid the remainder of the outstanding debt owed to Delafield Investments Limited using the net proceeds of the Eagle Equities note.

The Note contains an original issue discount of $25,354 such that the purchase price is $507,081. The maturity date of the Note is December 29, 2018. The Note shall bear interest at a rate of 8% per annum, which interest shall be paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time.

Additionally, Eagle Equities has the option to convert all or any amount of the principal face amount of the Note, at any time, for shares of the Company's common stock at a price equal to 60% of the lowest closing bid price (the "Closing Bid Price") of the Company's common stock as reported on the OTC Markets Group, Inc. quotation system for the ten prior trading days, including the day upon which the Company receives a notice of conversion from Eagle Equities (the "Conversion Price'). However, in the event that the Company's common stock is restricted by the Depository Trust Company for any reason, the Conversion Price shall be lowered to 50% of the lowest Closing Bid Price for the duration of such restriction. If the Company fails to maintain a reserve of shares of its common stock at least three times the number of shares issuable upon conversion of the Note for at least 60 days after the issuance of the Note, the conversion discount shall be increased by 10%. Notwithstanding the foregoing, Eagle Equities shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Eagle Equities and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

The Note may be prepaid until June 27, 2018. If the Note is prepaid within 60 days of the issuance date, then the prepayment premium shall be 130% of the face amount plus any accrued interest; if the Note is prepaid after 60 days from the issuance date, but less than 120 days from the issuance date, then the prepayment premium shall be 140% of the face amount plus any accrued interest; and if the Note is prepaid after 121 days from the issuance date, but prior to 180 days from the issuance date, then the prepayment premium shall be 150% of the face amount plus any accrued interest.

Upon a transfer of all or substantially all of the assets of the Company, or certain reorganization, merger or consolidation events, Eagle Equities may either request that the Company redeem the Note in cash for 150% of the principal amount, plus any accrued but unpaid interest through the date of redemption, or convert the unpaid principal amount plus any accrued but unpaid interest into shares of the Company's common stock at the Conversion Price.

Pursuant to the terms of the Purchase Agreement, the Company covenants to pay or reimburse Eagle Equities for any fees and expenses associated with the transactions contemplated by the Purchase Agreement along with other customary covenants, such as maintaining the quotation of the Company's common stock on its existing quotation system. The Note contains certain events of default, including a change in the majority of the board, failure to timely issue shares upon receipt of a notice of conversion, as well as certain customary events of default, including, among others, a breach of the covenants, insolvency, bankruptcy and failure by the Company to pay the principal and interest due under the Note.

Upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum or at the highest rate permitted by law. In the event that the Company fails to deliver to Eagle Equities shares of common stock issuable upon conversion of principal or interest under the Note within three business days of a notice of conversion by Eagle Equities, including an opinion of counsel, the Company shall incur a penalty of $250 per day the shares are not issued from the fourth to ninth business day after the notice is delivered to the Company and on the tenth day and thereafter, the penalty shall increase to $500 per day.

Additional default penalties include:

- In the event that the Company loses a bid price for its stock on its marketplace, the outstanding principal under the note shall increase by 20%.

- In the event that the Company's common stock is delisted from any exchange or quotation system, or if its trading is suspending for more than ten consecutive days, or if the Company fails to meet its required reporting obligations under the Securities Exchange Act of 1934 (the "Exchange Act"), the outstanding principal under the note shall increase by 50%.

- In the event that the Company fails to pay the outstanding principal and interest on the maturity date, then the outstanding principal due under the Note shall increase by 10%.

- In the event that the Company is delinquent in filing its periodic reports under the Exchange Act and such delinquency continues after the six month anniversary of the Note, then Eagle Equities shall be entitled to use the lowest close bid price during the delinquency period as a base price for the conversion.

The total principal amount due and outstanding under all debt issued to Eagle Equities as of December 31, 2017 is $1,774,200.

Amendment to Certificate of Incorporation

On January 23, 2018, the Company filed a certificate of amendment (the "Amendment") to its certificate of incorporation with the Secretary of State of the State of Delaware following notice of such Amendment given to the stockholders of the Company on January 3, 2018, who previously approved the Amendment. Pursuant to the Amendment, the number of authorized shares of the Company was increased from 101,500,005 to 401,500,005, consisting of (i) 400,000,000 shares of common stock, par value $0.001 per share, and (ii) 1,500,005 shares of preferred stock, par value $0.01 per share.

Manufacturing Services Agreement

We entered into a Manufacturing Services Agreement (the "MSA") and Quality Assurance Agreement (the "QAA"), each with an effective date of August 12, 2016, with Amatsigroup NV ("Amatsigroup"), formally known as Q-Biologicals NV, a contract manufacturing organization located in Belgium. Pursuant to the MSA, Amatsigroup will produce certain drug substances and product containing certain enzymes at its facility in Belgium. We will use these substances and products for development purposes, including but not limited to clinical trials. The MSA contemplates payment to Amatsigroup pursuant to a pre-determined fee schedule based on the completion of certain milestones that depend on our manufacturing requirements and final batch yield. We anticipate that our payments to Amatsigroup under the MSA will range between $2.5 million and $5.0 million over five years, with the majority of the expenditures occurring during the first two years of the MSA when the finished drug product is manufactured and released for clinical trials.

The MSA shall continue for a term of six years unless extended by mutual agreement in writing. We can terminate the MSA early for any reason upon the required notice period, however, in such event, the pre-payment paid upon signing the MSA is considered non-refundable. The QAA sets forth the parties respective obligations and responsibilities relating to the manufacturing and testing of the products under the MSA.

The agreements with Amatsigroup contain certain customary representations, warranties and limitations of liabilities, and confidentiality and indemnity obligations.

The agreements with Q-Biologicals contain certain customary representations, warranties and limitations of liabilities, and confidentiality and indemnity obligations.

Pre-Clinical Efficacy and Toxicology Studies

In November 2015, we completed animal efficacy studies in mice through our contract research partner, vivoPharm, demonstrating proof of concept *in vivo*. During the course of these studies, we discovered a new target therapeutic dose range using pro-enzymes for treating cancer. That month, we filed a patent application in support of this discovery, as described further herein.

On October 25, 2016 we completed a toxicokinetic study for PRP. The purpose of the study was to evaluate the toxicokinetic parameters of PRP after repeated, daily intravenous tail vein administration in rats and to evaluate distribution and bioavailability of the test articles, both before and after repeat exposure, over a 28-day period.

On December 22, 2016, we commenced a second GLP-compliant toxicity study for PRP. An animal group was administered low dosages intravenously, also over a 28-day period, after which the focus of the study expanded to medium and high dosages. On April 27, 2017, we announced the successful completion of this study. On August 2, 2017, we completed a pathology assessment of the GLP-compliant 28-day repeat-dose toxicity study and again observed no treatment related findings. This concluded the preclinical development phase of PRP and provides a safety margin for a dosage of PRP to be administered in future clinical trials. We currently intend to submit a clinical trial application in the United Kingdom.

In November 2017, we successfully developed a manufacturing process capable of purifying and stabilizing the two active drug substances of the PRP formulation, trypsinogen and chymotrypsinogen. The Company intends to commence engineering runs of manufacturing the finished drug product, prior to full scale GMP manufacture of PRP for human trials.

Intellectual Property Updates

In June 2017, we received a written opinion from the Australian Patent Office relating to our Patent Cooperation Treaty ("PCT") application. Specifically, we were notified that a majority of the claims we made concerning our combination of trypsinogen and chymotrypsinogen that comprises PRP were considered novel and several of them were considered inventive. The Australian Patent Office also found that the experimental data included in the application and the way it is presented adequately supported the pending claims.

In July 2017, we received notification of the acceptance of our lead patent application from the Chinese Patent Office.

In January 2018, we received notification of allowance of our lead patent application from the European Patent Office.

Orphan Drug Designation

In June 2017, we were notified by the U.S. Food and Drug Administration (the "FDA") that PRP had been granted orphan drug designation for the treatment of pancreatic cancer. Orphan drug designation may be granted by the FDA when a rare disease or condition is implicated and a potential treatment qualifies under the Orphan Drug Act and applicable FDA regulations. This qualifies us for various developmental incentives, including protocol assistance, the potential for research grants, the waiver of future application fees, and tax credits for clinical testing if we choose to host future clinical trials in the United States.

In October 2017, we submitted a request for a second orphan drug designation for PRP, this time for ovarian cancer.

On November 2, 2017, we were notified by the FDA that our request was not granted. The Office of Orphan Products Development (OOPD) stated that complete prevalence is used as a measure of disease in ovarian cancer, as this reflects the number of women who have been diagnosed with disease and may be eligible for treatment with the proposed therapy. Therefore, on the date of the submission of our application, the OOPD estimated that the prevalence of ovarian cancer was 228,110 cases. Since the prevalence exceeds the threshold of 200,000 to qualify for orphan drug designation, they could not grant our request.

Consulting Agreements

On December 29, 2017, the Company entered into a one-year consulting agreement with Alan Morell for certain consulting, advisory and media services. As compensation for such services, the Company agreed to pay (i) an hourly fee, for up to $71,250 of time-based services; (ii) $9,772 for the preparation of certain marketing materials; (iii) an upfront fee of 500,000 restricted shares of the Company's common stock, with up to 750,000 additional shares to be issued in six months at the Company's sole discretion, and (iv) a marketing bonus equal to 6% of the value of any: (x) business collaboration with the Company which is identified or introduced by Mr. Morrell; or (y) joint venture, licensing, collaboration or similar monetization or strategic transaction (other than any capital-raising transaction) which is identified or introduced by Mr. Morrell. The Company may, in its sole discretion, pay any of the aforementioned fees in cash or shares of the Company's common stock. If such fees are paid in stock, the number of shares to be paid shall be calculated by dividing the dollar amount of time (or value of the transaction, as the case may be) invoiced in such pay period by, as of the applicable calculation date, the most recent price at which the Company has sold shares of its common stock (or securities convertible into common stock) in a bona fide public or private financing including third party investors.

Critical Accounting Estimates

Below is a discussion of our more subjective accounting estimation processes for purposes of explaining (i) the methodology used in calculating the estimates, (ii) the inherent uncertainties pertaining to such estimates and (iii) the possible effects of a significant variance in actual experience, from that of the estimate, on the Company's financial condition. Estimates involve numerous assumptions that, if incorrect, could create a material adverse impact on the Company's results of operations and financial condition.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative US GAAP recognized by the FASB to be applied to non-governmental entities. Each ASC reference in this filing is presented with a three-digit number, which represents its Topic. As necessary for explanation and as applicable, an ASC topic may be followed with a two-digit subtopic, a two-digit section or a two-or-three digit paragraph.

Foreign Currency Translation and Comprehensive Income (Loss): The Company's functional currency is the AUD. For financial reporting purposes, the AUD has been translated into USD as the reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statement of operations and comprehensive loss as other income (expense).

Accounting for Income Taxes: The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740, "*Accounting for Income Taxes,"* which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company adopted provisions of ASC 740, Sections 25 through 60, "*Accounting for Uncertainty in Income Taxes*." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Accounting for Stock Based Compensation: The Company records stock based compensation in accordance with ASC 718, "*Stock Compensation*" and Staff Accounting Bulletin No. 107 issued by the SEC in March 2005 regarding its interpretation of ASC 718. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period. The statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. The Company values any employee or non-employee stock based compensation at fair value using the Black-Scholes Option Pricing Model.

The Company accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 505-50 "*Equity-Based Payments to Non-Employees*."

Derivative Instruments: ASC 815, "*Derivatives and Hedging,*" establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment.

Convertible Notes With Variable Conversion Options: The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480 and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion, and records the put premium as accretion to interest expense to the date of first conversion.

Research and Development Tax Credits: The Company may apply for Research and Development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company's net operating loss carry forwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as an income tax benefit, in operations, upon receipt.

Recent Accounting Pronouncements

Reference is made to "Recently Adopted Accounting Pronouncements" under Note 1 of the Unaudited Condensed Notes to the Unaudited Consolidated Financial Statements included in this report for a discussion of recently issued and adopted accounting pronouncements.

Results of Operations

The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto included elsewhere in this Form 10-Q. The results discussed below are of the Company and its wholly-owned Australian subsidiary, Propanc Pty Ltd.

For the Three Months Ended December 31, 2017 compared to the Three Months Ended December 31, 2016

Revenue

For the three months ended December 31, 2017 and 2016, we generated no revenue because we are currently undertaking research and development activities for market approval and there were no sales generated in this period. We do not expect to make significant revenues for several years.

Administration Expenses

Administration expenses decreased to $395,442 for the three months ended December 31, 2017 as compared with $1,735,893 for the three months ended December 31, 2016. This decrease is attributable to a decrease in stock based expense of approximately $330,000, which is related to a grant of stock options to our directors in April 2016 along with a decrease of approximately $320,000 related to stock based consulting fees. Additionally, consulting fees decreased by approximately $256,000 and wages decreased by approximately $205,000 in the three months ended December 31, 2017.

Occupancy Expense

Occupancy expense increased by $908 to $6,899 for the three months ended December 31, 2017. The increase relates to the fluctuation in foreign currency exchange rates along with an approximately $700 decrease in occupancy in the months ended December 31, 2016 related to a reclassification of expenses.

Research and Development Expenses

Research and development expenses were $1,034,729 for the three months ended December 31, 2017 as compared with $167,202 for the three months ended December 31, 2016. The increase in research and development expenses is primarily due to an increase in clinical development expenses for PRP, as the purchase of the two proenzymes, trypsinogen and chymotrypsinogen, for the PRP formulation, raw material purification of the proenzymes, manufacturing, process development, and commencement of GMP manufacturing of the finished drug product intended for use in future First-In-Human studies increased in October 2017 as the Company advances towards full scale manufacturing. Additionally, the use of development & regulatory consultants also increased to support process development and manufacturing.

Interest Expense/Income

Interest expense decreased to $486,754 for the three months ended December 31, 2017 as compared with $1,255,627 for the three months ended December 31, 2016. Interest expense is primarily comprised of $186,000 debt discount amortization and $267,000 in accretion of put premium. This decrease is primarily attributable to the conversion of derivative debt resulting in lower amortization of debt discount offset by higher accretion amounts of convertible notes with discounted debt features during the three months ended December 31, 2017.

Change in Fair Value of Derivative Liabilities

Change in fair value of derivative liabilities increased by $221,065 to a loss of $260,045 for the three months ended December 31, 2017 from a loss of $38,980 for the three months ended December 31, 2016. This increase is primarily attributable to an increase in the issuance of convertible notes with repricing options and variable conversion pricing.

Foreign Currency Transaction Gain (Loss)

Foreign currency transaction loss decreased to $142,944 for the three months ended December 31, 2017 as compared to a loss of $425,323 for the three months ended December 31, 2016. The decrease in foreign currency transaction loss is primarily attributable to greater fluctuation in exchange rates in the three months ended December 31, 2016 than in the three months ended December 31, 2017.

Net loss

Net loss decreased to $2,201,979 for the three months ended December 31, 2017 as compared with $3,760,913 for the three months ended December 31, 2016. The decrease is primarily attributable to an approximately $1,340,000 decrease in administrative expenses and an approximately $769,000 decrease in interest expense as well as the net effect of fluctuations within changes in fair value of derivative liabilities and foreign currency transactions gains.

For the Six Months Ended December 31, 2017 compared to the Six Months Ended December 31, 2016

Revenue

For the six months ended December 31, 2017 and 2016, we generated no revenue because we are currently undertaking research and development activities for market approval and there were no sales generated in this period.

Administration Expenses

Administration expenses decreased to $1,026,848 for the six months ended December 31, 2017 as compared with $2,740,396 for the six months ended December 31, 2016. This decrease is attributable to a decrease in stock based expense of approximately $660,000, which is related to a grant of stock options to our directors in April 2016 along with a decrease of approximately $420,000 related to stock based consulting fees. Additionally wages decreased by approximately $230,000, investor relations decreased by $170,000 and consulting fees decreased by approximately $100,000 in the year ended December 31, 2017.

Occupancy Expense

Occupancy expense increased by $1,141 to $15,729 for the six months ended December 31, 2017. The increase relates to the fluctuation in foreign currency exchange rates along with an approximately $700 decrease in occupancy in the months ended December 31, 2016 related to a reclassification of expenses.

Research and Development Expenses

Research and development expenses were $1,598,468 for the six months ended December 31, 2017 as compared with $328,399 for the six months ended December 31, 2016. The increase in research and development expenses is primarily due to an increase in clinical development expenses for PRP, as the purchase of the two proenzymes, trypsinogen and chymotrypsinogen, for the PRP formulation, raw material purification of the proenzymes, manufacturing process development and commencement of GMP manufacturing of the finished drug product intended for use in future First-In-Human studies increased in October 2017, as the Company advances towards full scale manufacturing. Additionally, the use of development & regulatory consultants also increased to support process development and manufacturing. Additionally, the use of development & regulatory consultants also increased to support process development and manufacturing, submission to the US Food & Drug Administration (FDA) for a request for Orphan Drug Designation status for the treatment of pancreatic cancer and preparation for a scientific advice meeting with the Medicines and Healthcare Products Regulatory Agency (MHRA), UK, planned for the first quarter of 2018.

Interest Expense/Income

Interest expense decreased to $1,379,186 for the six months ended December 31, 2017 as compared with $1,727,014 for the six months ended December 31, 2016. Interest expense is primarily comprised of $534,000 debt discount amortization and $743,000 in accretion of put premium. This decrease is primarily attributable to the conversion of derivative debt resulting in lower amortization of debt discount offset by higher accretion amounts of convertible notes with discounted debt features during the six months ended December 31, 2017.

Change in Fair Value of Derivative Liabilities

Change in fair value of derivative liabilities decreased by $560,164 from a gain of $330,393 for the six months ended December 31, 2016 to a loss of $229,771 for the six months ended December 31, 2017. This decrease is primarily attributable to an increase in the issuance of convertible notes with repricing options and variable conversion pricing.

Foreign Currency Transaction Gain (Loss)

Foreign currency transaction loss decreased to $9,152 for the six months ended December 31, 2017 as compared to a loss of $251,334 for the six months ended December 31, 2016. The decrease in foreign currency transaction gain is primarily attributable to greater fluctuation in exchange rates in the six months ended December 31, 2016 than in the six months ended December 31, 2017.

Net loss

Net loss decreased to $4,125,722 for the six months ended December 31, 2017 as compared with $4,862,882 for the six months ended December 31, 2016. The decrease is primarily attributable to an approximately $1,714,000 decrease in administrative expenses and an approximately $348,000 decrease in interest expense as well as the net effect of fluctuations within changes in fair value of derivative liabilities and foreign currency transactions gains.

Liquidity and Capital Resources

	For the Six Months Ended December 31,			
	2017		2016	
Net cash used in operating activities	$	(1,071,326)	$	(1,004,628)
Net cash used in investing activities	$	-	$	-
Net cash provided by financing activities	$	1,274,000	$	959,285
Effect of exchange rate changes on cash	$	(159,221)	$	(32,809)

Net cash used in operations was $1,071,326 for the six months ended December 31, 2017 compared to $1,004,628 for the six months ended December 31, 2016. This fluctuation is due to a decrease in accrued expenses in the six months ended December 31, 2017 related to the payment of an accrued bonus to an officer of approximately $120,000, along with fluctuations in changes in foreign currency transaction gains and losses, changes related to the valuation of new derivative liabilities and the revaluation of existing derivative liabilities in the six months ending December 31, 2017.

Cash flows provided by financing activities for the six months ended December 31, 2017 were $1,274,000 compared to $959,285 for the six months ended December 31, 2016. During the six months ended December 31, 2017, we had proceeds from convertible promissory notes of $1,274,000. During the six months ended December 31, 2016, we had proceeds from convertible promissory notes of $495,000 and proceeds from the exercise of warrants of approximately $464,000.

The effect of the exchange rate on cash resulted in a $159,221 negative adjustment to cash flows in the six months ending December 31, 2017 compared to a negative adjustment of $32,809 to cash flows in the six months ending December 31, 2016. The reason for the fluctuation is due to the application of translation rates throughout the cash flow statement, the volume of transactions within each period and the daily fluctuation in exchange rates.

We have substantial capital resource requirements and have incurred significant losses since inception. As of December 31, 2017, we had $112,496 in cash. Total debt outstanding at December 31, 2017 was $3,194,381. Based upon our current business plans, we will need considerable cash investments to be successful. Such capital requirements are in excess of what we have in available cash and for which we currently have commitments. Therefore, we presently do not have enough available cash to meet our obligations over the next twelve (12) months. If we are unable to raise sufficient capital, this may affect our operations and ability to complete ongoing activities in connection with our research and development programs. If we do not raise sufficient capital we will reduce our R&D activities to minimize overheads. Further, we may consider possible licensing of our drug product, JV's or mergers.

Going Concern Qualification

We have incurred significant losses and cash used in operations, and such losses and use of cash are expected to continue. Our Independent Registered Public Accounting Firm has included a "Going Concern Qualification" in their report for the years ended June 30, 2017 and 2016. In addition, we have negative working capital. The foregoing raises substantial doubt about the Company's ability to continue as a going concern. Management's plans include seeking additional capital or debt financing. There is no guarantee that additional capital or debt financing will be available when and to the extent required, or that if available, it will be on terms acceptable to us. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The "Going Concern Qualification" might make it substantially more difficult to raise capital.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

With the participation of James Nathanielsz, our Chief Executive Officer and Chief Accounting Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this report. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that, as of the end of such period, our disclosure controls and procedures were not effective to ensure that (i) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (ii) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our principal executive officer and principal financial officer to allow timely decisions regarding required disclosure.

The Company is undertaking to improve its internal control over financial reporting and improve its disclosure controls and procedures. As of December 31, 2017, we identified the following material weaknesses that still exist through the date of this report:

As of December 31, 2017 and as of the date of filing this report, we did not maintain effective controls over the disclosure control environment. Specifically, the Company lacks accounting personnel with technical knowledge in certain debt and equity transactions. Additionally, because of the size of the Company’s administrative staff, controls related to the segregation of certain duties have not been developed and the Company has not been able to adhere to them. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

To the best of our knowledge, there are no material pending legal proceedings to which we are a party or of which any of our property is the subject.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed under Part I, Item 1A, “Risk Factors” in the Company’s Annual Report of Form 10-K for the year ended June 30, 2017, as filed with the SEC. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

<u>Shares issued for conversion of debt</u>

See Note 5 to the Company’s financial statements for dates and amounts of conversions of principal of convertible debt by various parties including Delafield, Eagle Equities and Regal Consulting, LLC.

The shares of common stock issued upon conversion of the convertible debt were sold without registration in reliance on the exemption provided by Section 3(a)(9) of the Securities Act.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1.1	Certificate of Amendment to Certificate of Incorporation effective as of April 20, 2017, incorporated by reference to Exhibit 3.1.1 to the Current Report on Form 8-K filed on April 26, 2017.
3.1.2	Certificate of Amendment to Certificate of Incorporation effective as of April 20, 2017, incorporated by reference to Exhibit 3.1.2 to the Current Report on Form 8-K filed on April 26, 2017.
3.1.3	Certificate of Amendment to Certificate of Incorporation effective as of January 23, 2018, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on January 26, 2018.
4.1	8% Convertible Redeemable Junior Subordinated Note issued to Eagle Equities, LLC, dated November 3, 2017, incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed on November 9, 2017
4.2	8% Convertible Redeemable Junior Subordinated Back End Note issued to Eagle Equities, LLC, dated November 3, 2017, incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed on November 9, 2017.
4.3	Collateralized Secured Promissory Note (Bank End Note) incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed on November 9, 2017
4.4	8% Convertible Redeemable Note issued to Eagle Equities, LLC, dated December 29, 2017, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on January 5, 2018.
4.5	8% Convertible Redeemable Note issued to Power Up Lending Group Ltd., dated January 22, 2018, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on January 26, 2018.

10.1	Letter Agreement dated September 30, 2017 by and between the Company and Delafield Investments Limited, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on October 2, 2017.
10.2	Securities Purchase Agreement by and between the Company and Eagle Equities, LLC, dated as of October 25, 2017, incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed on November 9, 2017.
10.3	Securities Purchase Agreement by and between the Company and Eagle Equities, LLC, effective as of December 29, 2017, incorporated by reference to Exhibit 10. To the Current Report on Form 8-K filed on January 5, 2018.
10.4	Securities Purchase Agreement by and between the Company and Power Up Lending Group Ltd., effective as of January 22, 2018, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on January 26, 2018.
31.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROPANC BIOPHARMA, INC.

Date February 8, 2018

By: */s/ James Nathanielsz*
Name: James Nathanielsz
Title: Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer

EXHIBIT 31.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, James Nathanielsz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Propanc Biopharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2018

/s/ James Nathanielsz
James Nathanielsz
Chief Executive Officer, Chief Financial Officer and Chief
Accounting Officer
(Principal Executive Officer, Principal Financial Officer and
Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Propanc Biopharma, Inc., James Nathanielsz, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer of Propanc Biopharma, Inc., certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

1. This quarterly Report on Form 10-Q for the quarter ended December 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in this quarterly report on Form 10-Q for the quarter ended December 31, 2017 fairly presents, in all material respects, the financial condition and results of operations of Propanc Biopharma, Inc.

Date: February 8, 2018

/s/ James Nathanielsz
James Nathanielsz
Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement as required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Propanc Biopharma, Inc. and will be retained by Propanc Biopharma, Inc. and furnished to the SEC or its staff upon request.