

ASX ANNOUNCEMENT

NOTES TO APPENDIX 4C

SYDNEY, Monday, 30 January 2012: Cellmid Limited (ASX: CDY) provides the following comments in relation to the attached Appendix 4C form:

- Subsequent to the closing of 2Q2012 Cellmid has received an R&D tax refund of \$706,735, which resulted in a closing cash balance of \$1.35M on 6 January 2012.
- Test marketing of the Advangen range of hair growth products provided the primary source of revenue during the quarter (\$33,000).
- During the quarter Cellmid repaid \$350,000 of the principal balance of the Convertible Note, which was issued in March 2011 pursuant to the Funding Agreement with La Jolla Cove Investors. Overall, this resulted in a reduction of the outstanding Convertible Note facility with a current balance of \$327,000.
- Cellmid is progressing with the Australian manufacture of its Advangen range of hair growth products, which are branded as *Evolis™ for men* and *Evolis™ for women*. The commercial launch of these products to pharmacies is on track and expected for April 2012.
- Preclinical validation of the Company's anti-midkine antibodies will commence in February 2012 in several animal models. It is expected that results of these studies will become available from June 2012 onwards.
- Cellmid has extended its out-licensing program in relation to its midkine cancer diagnostic assets. Current licensees (Celera/Quest and Pacific Edge Biotechnology) have confirmed that they are continuing with their product development programs including midkine as one of their cancer biomarkers.

End

Contact:

Maria Halasz, CEO

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian biotechnology company developing innovative novel therapies and diagnostic tests for inflammatory diseases, heart attack and cancer. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to midkine and midkine antagonists globally. The Company's most advanced clinical development program is for the treatment of acute myocardial infarction (AMI) utilising the midkine protein. Cellmid is also developing anti-midkine antibodies for the treatment of inflammatory and autoimmune disorders. In addition, Cellmid is commercialising midkine as a biomarker for cancer diagnosis. Elevated midkine concentration in the blood and other body fluids is strongly indicative of cancer. Cellmid's first product, the MK-ELISA, is a blood test that sensitively and accurately measures serum midkine levels.

Midkine (MK)

Midkine is a multifunctional growth factor that is highly expressed during embryonic development. Midkine modulates many important biological interactions such as cell growth, cell migration and cellular adherence. These functions are relevant to cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing. Midkine is barely detectable in healthy adults and only occurs as a consequence of the pathogenesis of a number of different disorders. Midkine expression is often evident very early in disease onset, even before any apparent physical symptoms. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases. Finally, because midkine is only present in a disease context, targeting midkine does not harm normal healthy tissues.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Cellmid Limited

ABN

69 111 304 119

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	33	54
1.2 Payments for (a) staff costs	(266)	(563)
(b) advertising and marketing	(1)	(2)
(c) research and development	(69)	(306)
(d) leased assets	0	0
(e) other working capital	(488)	(555)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	4	5
1.5 Interest and other costs of finance paid	(27)	(39)
1.6 Income taxes refunded	30	30
1.7 Other (provide details if material)	0	0
Net operating cash flows	(784)	(1,376)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(784)	(1,376)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	(29)	(31)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
	(29)	(31)
Net investing cash flows		
1.14 Total operating and investing cash flows	(813)	(1,407)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	628	628
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings	0	152
1.18 Repayment of borrowings	(366)	(366)
1.19 Dividends paid	0	0
1.20 Other (provide details if material)	0	0
	262	414
Net financing cash flows		
Net increase (decrease) in cash held	(551)	(993)
1.21 Cash at beginning of quarter/year to date	1,205	1,593
1.22 Exchange rate adjustments to item 1.20	(13)	40
1.23 Cash at end of quarter	640	640

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	134
1.25	Aggregate amount of loans to the parties included in item 1.11	0

1.26 Explanation necessary for an understanding of the transactions

The amount disclosed is all payments made to directors and related parties in the quarter. The full amount is included in the total at 1.2(a).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	n/a	n/a
3.2	Credit standby arrangements	n/a	n/a

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	632	1,197
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	8	8
Total: cash at end of quarter (item 1.23)	640	1,205

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	n/a	n/a
5.2 Place of incorporation or registration	n/a	n/a
5.3 Consideration for acquisition or disposal	n/a	n/a
5.4 Total net assets	n/a	n/a
5.5 Nature of business	n/a	n/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 January 2012
(Director/Company secretary)

Print name: Nicholas Falzon

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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