

ASX ANNOUNCEMENT

CELLMID TO REFINANCE R&D LOAN FACILITY

SYDNEY, Wednesday, 1 March 2017: Cellmid Limited (ASX: CDY) is pleased to advise that it has refinanced the R&D Loan Agreement entered into on 24 February 2016. The original \$700,000 loan has been repaid by a new \$2,000,000 facility and 4,565,218 shares have been issued at 2.3 cents each to the lenders in lieu of accumulated interest.

The \$2,000,000 loan facility has been secured on improved terms, and it is expected to propel Cellmid's midkine ischemia program, through its wholly owned subsidiary Kinera, towards clinical development. It represents the funding required for Kinera to reach IND application stage, a critical value inflection point in this drug development program. Key terms of the loan are as follows:

- The loan period increased from 12 months to 24 months to better match product development time lines. The funds are expected to cover the costs of research and development up to preparation of IND application for midkine in the treatment of ischemic diseases. The loan will cover the costs of pre-clinical validation in an ischemia related indication, toxicology and regulatory work and means that the program is expected to be funded to this major development milestone.
- Interest will be accrued at an annual rate of 12% (previously 15%) with the lenders having the right to be issued fully paid ordinary shares in lieu of payment of the accrued interest at 3.5 cents per share (previously 2.3 cents per share) at both 12 and 24 months from commencement. The maximum number of shares that may be issued in lieu of interest payment is 6,857,142 for each twelve-month period.
- Principal may be converted by the lenders at 5.0 cents per share (3.4 cents per share previously). During the first 12 months the lenders may convert up to 50% of the total loan facility. The maximum number of shares that can be issued during the first 12 months is 20,000,000. The remaining 50% of the loan may be converted to shares at 5.0 cents by the lenders at any time between 12 months from the date of the agreement and the expiry of the 24-month term.

In the event the lenders elect to receive shares (at 5.0 cents per share for the principal loan amount and/or 3.5 cents per share for the interest), the shares so issued will rank equally in all respects with existing ordinary shares and will fall within Cellmid's 15% placement capacity under Listing Rule 7.1. The refinanced loan is secured against the Company's R&D tax credit, which is normally received during the month of November in each calendar year.

The current loan was arranged by Platinum Road, the same adviser engaged to place the \$700,000 R&D loan facility in February 2016.

End

Contact: Maria Halasz, CEO

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with lead programs in multiple disease indications. The Company, through its wholly owned subsidiaries, Lyramid, Kinera and Advangen, develops and markets innovative novel therapies and diagnostic tests for fibrotic diseases, cancer, ischemic diseases of the heart and hair loss. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) and FGF5 globally. Intellectual property pertaining to this novel target is being exploited through wholly owned subsidiaries Lyramid and Kinera. Advangen, Cellmid's consumer health business, sells its FGF5 inhibitor hair growth products in Australia and Japan, and currently expanding distribution in other territories. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

Midkine (MK)

Midkine is a 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, midkine is only evident in a disease context, and targeting midkine is not expected to harm normal healthy tissues.

Investment in life sciences companies

There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investment in companies specialising in these activities carry specific risks which are different to those associated with trading and manufacturing businesses. As such, these companies should be regarded as highly speculative. Cellmid recommends that investors seek professional advice before making an investment in its shares.



ASX Announcement

Cleansing Statement - Notice under section 708A(5)(e) of the Corporations Act

SYDNEY, WEDNESDAY 1 MARCH 2017: Cellmid Limited (ASX: CDY) notifies, in accordance with section 708A(5)(e) of the Corporations Act, the details required under section 708A(6) in relation to the issue of securities.

Details of the securities issued:

Class of securities:	Fully paid ordinary shares
ASX Code of the securities:	CDY
Date of issue:	1 March 2017
Total number issued:	4,565,218
Issue price:	\$0.023 per share

The 4,565,218 fully paid ordinary shares have been issued pursuant to the ASX announcement on Friday, 26 February 2016 relating to the Company's R&D Loan Facility with Platinum Road.

An Appendix 3B for the above securities was given to the ASX today.

Cellmid advises that:

- (a) the above securities were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, Cellmid has complied with the provisions of Chapter 2M, and section 674, of the Corporations Act as they apply to Cellmid; and
- (c) as at the date of this notice, there is no information that is excluded information within the meaning of sections 708A(7) and 708A(8) of the Corporations Act, being information that:
 - (1) has been excluded from a continuous disclosure notice in accordance with the Listing Rules of ASX; and
 - (2) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of Cellmid; or
 - (B) the rights and liabilities attaching to the shares or generally to the ordinary shares in the capital of Cellmid.

Contact

Maria Halasz, CEO
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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cellmid Limited

ABN

69 111 304 119

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 6,515,218 Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Terms as per as existing ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>(a) \$0.0306 (b) \$0.0200 (c) \$0.0340 (c) \$0.0230</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) 1,000,000 Ordinary Shares issued under the Cellmid Employee Share Plan</p> <p>(b) 700,000 Ordinary Shares issued under the Cellmid Employee Share Plan</p> <p>(c) 250,000 Ordinary Shares issued under the Cellmid Employee Share Plan</p> <p>(d) 4,565,218 Ordinary Shares issued on conversion of Interest payable under the terms of the loan with Platinum Road at maturity</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1			
6d	Number of +securities issued with security holder approval under rule 7.1A			
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)			
6f	Number of +securities issued under an exception in rule 7.2			
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.			
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements			
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements			
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>1/03/2017</p> <table border="1" style="width: 100%; height: 100px; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>		

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	1,070,382,229	Ordinary Shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	5,000,000	OPT 3.2c Exp 15.06.2017
	1,440,000	OPT 3.4c Exp 14.08.2017
	4,000,000	OPT 4.0c Exp 01.08.2018
	4,000,000	OPT 5.0c Exp 01.08.2018
	10,000,000	OPT 6.0c Exp 01.08.2018
	11,500,000	OPT 6.0c Exp 19.11.2018
	500,000	OPT 3.1c Exp 19.11.2018
	2,000,000	OPT 3.0c Exp 31.10.2019

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged
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Part 2 - Pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

- | | | |
|----|--|--|
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

+ See chapter 19 for defined terms.

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Director/Company secretary)

Date: 1 March 2017

Print name: Maria Halasz

+ See chapter 19 for defined terms.

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	928,500,508
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	36,366,503
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL
“A”	964,867,011

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	144,730,051
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	105,515,218
“C”	105,515,218
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	144,730,051
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	105,515,218
Total [“A” x 0.15] – “C”	39,214,833 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.