

ASX ANNOUNCEMENT

NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM

SYDNEY, Monday 21 October 2013: The Notice of Annual General Meeting and Proxy Form of Cellmid Limited (ASX:CDY) are attached.


The Annual General Meeting will be held at 11am (Sydney time) on Friday 22 November 2013 at Cliftons, Level 13, 60 Margaret Street, Sydney.

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 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 development programs involve using its anti-midkine antibodies for the treatment of cancer and inflammatory diseases. 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. For further information please see www.cellmid.com.au.

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.

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CELLMID LIMITED

ACN 111 304 119

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (Sydney time)

DATE: Friday 22 November 2013

PLACE: Cliftons, Level 13, 60 Margaret Street, Sydney, 2000

THIS NOTICE OF ANNUAL GENERAL MEETING SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISERS.

SHOULD YOU WISH TO DISCUSS THE MATTERS IN THIS NOTICE OF ANNUAL GENERAL MEETING PLEASE DO NOT HESITATE TO CONTACT THE COMPANY SECRETARY ON (02) 9221 6830.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the shareholders of Cellmid Limited ACN 111 304 119 (**Company**) to which this Notice of Annual General Meeting relates will be held at Cliftons, Level 13, 60 Margaret Street, Sydney, 2000 at 11:00am (Sydney time) on Friday 22 November 2013 (**Annual General Meeting**).

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

You have the right to appoint a proxy. The proxy need not be a shareholder of the Company. If you are entitled to vote two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post to Cellmid Limited at Suite 1802, Level 18, 15 Castlereagh Street Sydney, NSW 2000; or
- (b) facsimile to Cellmid Limited on facsimile number (02) 9221 8535,

so that it is received not later than 11:00am (Sydney time) on Wednesday 20 November 2013.

Proxy forms received later than this time will be invalid.

LETTER FROM THE CHAIRMAN

Dear shareholder

I am pleased to invite you to the Annual General Meeting of the Company which will be held at Cliftons, Level 13, 60 Margaret Street, Sydney, 2000 on Friday 22 November 2013, commencing at 11:00am (Sydney time).

I have enclosed with this Notice of Annual General Meeting your personalised proxy form.

If you have elected to receive a hard copy of the Company's Annual Report, a copy of that Annual Report is also enclosed with this letter. A copy of the Company's Annual Report is available now on the Company's website (www.cellmid.com.au).

The following pages contain details of the items of business that you have the opportunity to vote on at the Annual General Meeting.

The directors believe, subject to any required voting exclusions, that all the Resolutions referred to in this Notice of Annual General Meeting are in the best interests of the Company and its shareholders and encourage you to vote in favour of all of the Resolutions.

I look forward to seeing you at the Annual General Meeting on Friday 22 November 2013. If you are unable to attend please ensure that you fill out and return your personalised proxy form to the Company by the required date and time.

Yours sincerely,



David King
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of the Company will be held at Cliftons, Level 13, 60 Margaret Street, Sydney, 2000 at 11:00am (Sydney time) on Friday 22 November 2013.

The Explanatory Statement to this Notice of Annual General Meeting provides information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Annual General Meeting.

The directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 7pm (Sydney time) on Wednesday 20 November 2013.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To consider the financial statements of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“That the remuneration report as contained in the directors' report of the Company for the financial year ended 30 June 2013 be adopted.”

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAVID KING

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Dr David King, who retires in accordance with Clause 47.1 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected a director.”

SPECIAL BUSINESS

RESOLUTION 3 – ISSUE OF SHARES AS CONSIDERATION FOR TRANSFER OF ADVANGEN INTERNATIONAL SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and all other purposes, the issue of 3,515,625 fully paid ordinary shares in the capital of the Company to Direct Capital Group Pty Ltd (a company associated with Maria Halasz, a director of the Company) as consideration for the transfer by this company of a minority shareholding in Advangen International Pty Ltd, be and is approved.”

RESOLUTION 4 – ISSUE OF LOAN SHARES TO MARIA HALASZ UNDER EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Australian Securities Exchange (**ASX**) Listing Rule 10.14 and for all other purposes, approval be given to the Company to grant 12,000,000 loan shares to Maria Halasz under the Company’s Employee Incentive Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice of Annual General Meeting.”

RESOLUTION 5A – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES UNDER PLACEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given to the issue and allotment of 49,646,914 fully paid ordinary shares, as detailed in the Explanatory Statement.”

RESOLUTION 5B – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER PLACEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, approval is given for the allotment and issue of 27,198,435 options to sophisticated and professional investors, for the purposes and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

RESOLUTION 6A – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES MADE UNDER ASX LISTING RULE 7.1 FOR ADVANGEN ACQUISITION

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given to the issue and allotment of 4,917,482 fully paid ordinary shares, as detailed in the Explanatory Statement.”

RESOLUTION 6B – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES MADE UNDER ASX LISTING RULE 7.1A FOR ADVANGEN ACQUISITION

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given to the issue and allotment of 50,820,142 fully paid ordinary shares, as detailed in the Explanatory Statement.”

RESOLUTION 7 – ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A, approval is given for the Company to have the additional capacity to issue equity securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in

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accordance with the formula prescribed in ASX Listing Rule 7.1A.2 on the terms and conditions described in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

VOTING EXCLUSION STATEMENTS

RESOLUTIONS 1 – REMUNERATION REPORT

As required by the Corporations Act 2001 (Cth) (**Corporations Act**), the Company will in accordance with section 250R, disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel of the Company details of whose remuneration are included in the Remuneration Report, or a closely related party of any such a member. However, the Company need not disregard such a vote if it is cast:

- (a) as a proxy by writing that specifies how the person is to vote on the resolution; or
- (b) by the chair of the meeting as a proxy, and the appointment does not specify the way the proxy is to vote and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

RESOLUTION 3 – ISSUE OF SHARES AS CONSIDERATION FOR TRANSFER OF ADVANGEN INTERNATIONAL SHARES

The Company will disregard any votes cast on Resolution 3 by:

- (a) Direct Capital Group Pty Ltd and Maria Halasz; and
- (b) an associate of Direct Capital Group Pty Ltd or Maria Halasz.

However, the Company need not disregard a vote on Resolution 3 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – ISSUE OF LOAN SHARES TO MARIA HALASZ UNDER EMPLOYEE INCENTIVE PLAN

As required by the ASX Listing Rules, the Company will disregard any votes cast on the proposed Resolution 4 by a director of the Company or by any associate of a director of the Company. However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

As required by the ASX Listing Rules, the chair of the meeting will not vote undirected proxies on this resolution unless the relevant box on the proxy form is marked entitling the chair to exercise the proxy even if he has an interest in the outcome of the resolution.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as proxy on Resolution 4 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 4 and the vote is not cast on behalf of any member of the Company's key management personnel or a closely related party of such member; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to vote on Resolution 4 even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

RESOLUTION 5A – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES UNDER PLACEMENT

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 5A by a person who participated in the issue, and an associate of those persons. However, the Company need not disregard a vote on Resolution 5A if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5B – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER PLACEMENT

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 5B by a person who participated in the issue, and an associate of those persons. However, the Company need not disregard a vote on Resolution 5B if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6A – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES MADE UNDER ASX LISTING RULE 7.1 FOR ADVANGEN ACQUISITION

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 6A by a person who participated in the issue (being the previous shareholders of Advangen Inc (Japan)), and an associate of those persons. However, the Company need not disregard a vote on Resolution 6A if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6B – RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES MADE UNDER ASX LISTING RULE 7.1A FOR ADVANGEN ACQUISITION

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 6B by a person who participated in the issue (being the previous shareholders of Advangen Inc (Japan)), and an associate of those persons. However, the Company need not disregard a vote on Resolution 6B if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES UNDER ASX LISTING RULE 7.1A

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by a person (and any associates of such a person) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

GENERALLY

It is the intention of the Chairman to vote eligible undirected proxies in favour of Resolutions 1 to 7 to the extent he is entitled to do so. In respect of Resolutions 1 and 4 only, please mark the relevant box if you wish to authorise the Chairman to exercise undirected proxies even if the Chairman has an interest in the outcome of these resolutions and even though these resolutions are connected directly or indirectly with the remuneration of a member of key management personnel of the Company.

Those shareholders appointing a proxy who do not want the Chairman to vote for them or do not want the Chairman to vote in accordance with the Chairman's intentions on these Resolutions, have the ability to:

- (a) appoint the Chairman as proxy with a direction to cast votes contrary to the Chairman's stated voting intentions by instructing the Chairman to vote 'against' or to 'abstain' from voting on these Resolutions under 'Step 2' of the proxy form;
- (b) appoint a person other than the Chairman as proxy or attorney with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on these Resolutions (as the shareholder considers appropriate); and
- (c) in respect of Resolutions 1 and 4 only, do not mark the box to authorise the Chairman to exercise undirected proxies even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel of the Company or the Chairman has an interest in the outcome of these Resolutions, in which case the Chairman will not vote the

shares on these Resolutions but, if no other proxy is appointed in place of the Chairman, the shareholder's votes on these Resolutions will not be counted.

DATED: Friday 18 October 2013

BY ORDER OF THE BOARD



David King
CHAIRMAN

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Cliftons, Level 13, 60 Margaret Street, Sydney, 2000 on Friday 22 November 2013 at 11:00am (Sydney time).

The purpose of this Explanatory Statement is to provide information that the directors believe to be material to shareholders in deciding whether or not to pass the Resolutions in this Notice of Annual General Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Company's Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – REMUNERATION REPORT

The remuneration report as set out in the directors' report on page 17 of the Company's 2013 Annual Report must be put to the vote for its adoption in accordance with section 250R(2) of the Corporations Act. The vote on this resolution is advisory only and does not bind the directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report for the financial year ending 30 June 2013. The 2013 Annual Report of the Company (containing the remuneration report) is also available on the Company's website at www.cellmid.com.au.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions about, or make comments on, the remuneration report.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAVID KING

Clause 47.1 of the Company's Constitution requires one-third of directors to retire from office at the Company's Annual General Meeting. In addition, this clause requires any director for whom this would be the third general meeting since their last appointment to retire from office.

The retiring director, Dr David King, is eligible for re-election and accordingly submits himself for re-election as a director of the Company.

Recommendation

The directors (David King abstaining) recommend that shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ISSUE OF SHARES AS CONSIDERATION FOR TRANSFER OF ADVANGEN INTERNATIONAL SHARES

Proposal

The Company is the registered owner of 95% of Advangen International Pty Ltd (**Advangen International**). Advangen International was set up by the Company to commercialise over-the counter hair growth products based on FGF-5 inhibition technology.

Direct Capital Group Pty Ltd (**Direct Capital**) owns 278,049 ordinary shares in Advangen International, being the remaining 5% of the capital of Advangen International. Direct Capital is wholly owned by Maria Halasz, a director of the Company.

It is proposed that it will be beneficial for the 5% interest in Advangen International held by Direct Capital to be transferred to the Company so Advangen International will be wholly owned by the Company. This will allow tax consolidation of Advangen International and will facilitate simpler group accounting and audit. The transaction will also facilitate treatment of intercompany agreements within the group.

The proposed consideration for the transfer is 3,515,625 fully paid ordinary shares in the Company.

The shares represent 0.54% of the total issued share capital of the Company after the shares are issued. This will increase the relevant interest of Maria Halasz in share capital of the Company from the existing 1.04% (as at the date of this Notice of Annual General Meeting) to 1.57%.

ASX Listing Rule 10.11 requires that an issue or agreement to issue securities to a related party (which includes a director) requires approval of ordinary shareholders unless an exemption applies. As no exemption applies, shareholder approval is sought.

If shareholder approval is given to Resolution 3, approval is not required under Listing Rule 7.1 (limiting issues of shares without ordinary shareholder approval to 15% of the Company's capital unless an exemption applies). Therefore, approval will mean the issue of the shares to Direct Capital will not use up any of the Company's capacity to issue shares without shareholder approval under the 15% rule. This enables the Company to retain capacity to take advantage of market conditions to make placements of shares at favourable prices for funding purposes and to give the Company the flexibility to issue or place shares for other purposes from time to time as the Board may consider appropriate.

Listing Rule Information

- (a) The name of the person to whom the shares will be issued – Direct Capital Group Pty Ltd, a company associated with Maria Halasz, a director and the Chief Executive Officer of the Company.
- (b) The number of fully paid ordinary shares to be issued is 3,515,625.
- (c) The date by which the shares will be issued - within one month after the date of the meeting at which Resolution 3 is approved.
- (d) The issue price and other terms of issue of the shares – the shares are being issued as consideration for the transfer by Direct Capital of its 5% interest in Advangen International. The notional issue price attributed to each ordinary share in the Company for the purposes of the transaction is \$0.0256. The shares will otherwise

have the same rights as, and from the date of issue will rank equally with, all other ordinary shares on issue.

- (e) Voting exclusion statement - shareholders should refer to the voting exclusion statement in the Notice of Annual General Meeting relating to Resolution 3.
- (f) The intended use of the funds raised – as the shares are being issued as consideration for the transfer by Direct Capital of its 5% interest in Advangen International, no funds are raised by the Company as a result of the share issue.

Recommendation

The directors (Maria Halasz abstaining) recommend that shareholders vote in favour of Resolution 3.

RESOLUTION 4 – ISSUE OF LOAN SHARES TO MARIA HALASZ UNDER EMPLOYEE INCENTIVE PLAN

Background

Resolution 4 seeks the approval of shareholders to issue and allot 12,000,000 ordinary shares in the Company to Maria Halasz in three tranches (**Loan Shares**) with each tranche of Loan Shares to be fully funded using a loan provided by the Company (**Loan**). The issues are proposed to be made under the Company's Employee Incentive Plan (**Plan**), as approved by the Company's shareholders on 25 November 2011.

It is proposed to issue 12,000,000 ordinary shares to Maria Halasz as soon as practicable following the Annual General Meeting. The tranches of issued Loan Shares are subject to various vesting conditions, as set out below.

The terms of the Plan and each proposed tranche of Loan Shares and associated Loan will be as follows:

- (a) The Loan Shares issued under the Plan will have the same rights as other ordinary fully paid shares in the Company subject to the Loan terms and restrictions on transfer, which will apply where the Loan for that tranche remains unpaid and also prior to satisfaction of the applicable vesting conditions for that tranche (**Qualifying Period**).
- (b) The subscription price for the Loan Shares will be \$0.03, which is the volume weighted average of the prices at which the ordinary shares in the Company were traded in the five business days prior to 15 October 2013 (**Market Value**). While the proposed offer to take up shares under the Plan will be at Market Value, the incentive for Maria Halasz to accept the offer is the granting of an interest free loan to fund all or part of the purchase price.
- (c) The terms of the Loan will be as follows:
- the Loan will be interest free and for a term of 5 years;
 - the Loan will be immediately repayable if a disqualifying event or takeover offer for shares event (as defined in the Plan rules) occurs or the term of the Loan expires. If the Loan is not repaid, then the Company may sell the Loan Shares and after costs apply the sale proceeds to repay the outstanding amounts of the Loan. If there is a shortfall between the Loan amount still owing and the sale price, the employee will not be required to make good the shortfall. If there is a surplus after the sale of the Loan Shares the

employee is only entitled to the surplus if the Qualifying Period has expired; and

- if at the expiry of the term of the Loan, Maria Halasz does not repay the Loan, the Company may sell the Loan Shares in such manner as they may determine (which may include a buy-back or other form of sale permitted by statute or law) and after costs, repay the Loan. Any surplus will be repaid to Maria Halasz. No shortfall between the sale price and the Loan amount will be recoverable from Maria Halasz.
 - the Company retains a lien over the Loan Shares until such time as the Loan is repaid in full.
- (d) Maria Halasz will be restricted from transferring or encumbering the Loan Shares during the Qualifying Period or where the Loan remains unpaid. Maria Halasz will sign a voluntary escrow agreement with the Company agreeing to escrow restrictions and the imposition of a holding lock on the Loan Shares.
- (e) The following vesting conditions will apply to the Loan Shares. The Qualifying Period for each tranche of Loan Shares will cease upon satisfaction of the relevant vesting condition:

Tranche	Proportion of Loan Shares	Vesting Condition
1	33.3% Loan Shares	Tranche 1: 4,000,000 Loan Shares vesting automatically within the 3 year vesting period when Cellmid's and its controlled entities' operating revenue reaches a total \$4M over any consecutive 12 months.
2	33.3% Loan Shares	Tranche 2: 4,000,000 Loan Shares vesting automatically within the 3 year vesting period subject to the first patient being recruited into the Company's planned midkine antibody clinical trial.
3	33.3% Loan Shares	Tranche 3: 4,000,000 Loan Shares vesting automatically within the 3 year vesting period subject to the signing of a diagnostic or therapeutic license, or the signing of a distribution agreement for the Company's consumer health products in a territory outside of Australia and Japan.

Under ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. If shareholder approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 10.11.

Approval for the issue of the Loan Shares is not required under ASX Listing Rule 7.1 as Exception 9 ASX Listing Rule 7.2(b) is applicable. Listing Rule 7.2 Exception 9(b) permits issues under an employee incentive scheme if within three years before the date of issue the scheme has been approved by shareholders.

Information under ASX Listing Rule 10.15

- (a) The maximum number of securities to be issued is 12,000,000 ordinary shares.

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- (b) The subscription price for the Loan Shares will be \$0.03, which is the market value of the Company's ordinary shares on 15 October 2013 (i.e. the weighted average of the prices at which the ordinary shares were traded in the five business days prior to that date). As described above, a Loan will be provided to Maria Halasz by the Company for the subscription price for each tranche of Loan Shares. Further details of the Loan are provided above.
 - (c) Since the last approval, 5,000,000 unlisted options over ordinary shares (expiry date 15 June 2017, exercise price \$0.032 each) have been issued to Maria Halasz under the Plan for nil issue price.
 - (d) The directors of the Company (being Maria Halasz, David King, Graeme Kaufman and Martin Rogers) and trusts associated with these directors are entitled to participate in the Plan.
 - (e) A voting exclusion statement is included in the Notice of Annual General Meeting accompanying this Explanatory Statement.
 - (f) The terms of each Loan are set out above.
 - (g) If shareholders approve this Resolution 4, 12,000,000 Loan Shares will be issued as soon as practicable after the date of the Annual General Meeting and in any event no more than 12 months after the meeting.

Recommendation

The proposed issue of Loan Shares to Maria Halasz under the Employee Incentive Plan has been designed to support the achievement of the Company's business objectives by linking executive reward to significant improvements in the Company's value. The Loan Shares are subject to Ms Halasz achieving aggressive business growth and value inflection points and tied to revenue growth, commencing clinical studies for the Company's anti-midkine antibodies and signing major licensing and/or distribution agreements.

The achievement of these milestones as conditions of the vesting of the Loan Shares aligns the interest of Maria Halasz with that of the shareholders of the Company. The proposed issue of Loan Shares provides similar benefits to conventional incentive options, and complies with the Company's Employee Incentive Plan approved by shareholders in November 2011.

The directors (Maria Halasz abstaining) recommend that shareholders vote in favour of Resolution 4.

RESOLUTION 5A AND RESOLUTION 5B- RATIFICATION OF PRIOR ISSUE OF ORDINARY SHARES AND OPTIONS UNDER PLACEMENT

Resolution 5A – Ratification of Prior Issue of Ordinary Shares under Placement

The Company has used its capacity under ASX Listing Rule 7.1 to issue 49,646,914 fully paid ordinary shares to sophisticated and professional investors under a placement conducted by the Company in March 2013 at an issue price of \$0.04 per share (**Placement**).

Under ASX Listing Rule 7.4, shareholders may approve the issue of securities made within the limitation of ASX Listing Rule 7.1. Shareholder ratification of the issues of securities is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue

up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the number of shares issued was 49,646,914;
- (b) the shares issued rank equally in all respects with other existing ordinary shares;
- (c) the Company received a total of \$1,985,876.56 from the issue of the shares under the Placement. The Company has used and intends to use those funds to strengthen the marketing of the Company's Evolis hair growth products in Australia and overseas and to continue the Company's diagnostic and therapeutic antibody product development programs; and
- (d) Resolution 5A is subject to a voting exclusion statement (see the Notice of Annual General Meeting).

Recommendation

The directors recommend that shareholders vote in favour of Resolution 5A.

Resolution 5B – Ratification of Prior Issue of Options under Placement

As part of the Placement, the Company also issued 27,198,435 options over ordinary shares in the Company to sophisticated and professional investors.

Shareholder ratification of the issues of securities set out below is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the total number of securities issued was 27,198,435 options;
- (b) the terms of the options are as follows:
 - (1) the options are unlisted, convertible into one ordinary share each, have an exercise price of \$0.05 and an expiry date of 19 March 2014;
 - (2) shares issued and allotted pursuant to the exercise of options will rank equally in all respects with the then existing ordinary shares and will be subject to the provisions of the Company's Constitution;
- (c) the options were issued at \$0.001 (one tenth of 1 cent) per option;
- (d) the Company has used or intends to use the funds raised to strengthen the marketing of the Company's Evolis hair growth products in Australia and overseas and to continue the Company's diagnostic and therapeutic antibody product development programs;
- (e) Resolution 5B is subject to a voting exclusion statement (see the Notice of Annual General Meeting);

The directors believe that the ratification of these issues of securities is beneficial for the Company.

Recommendation

The directors recommend shareholders vote in favour of Resolution 5B.

RESOLUTION 6A AND RESOLUTION 6B – RATIFICATION OF PRIOR ISSUES OF ORDINARY SHARES UNDER ADVANGEN ACQUISITION

Resolution 6A – Ratification of Prior Issue of Shares made under ASX Listing Rule 7.1

The Company has used its capacity under the ASX Listing Rule 7.1 to issue 4,917,482 fully paid ordinary shares to the previous shareholders of Advangen Inc. (Japan) as part consideration for the Company's strategic acquisition of 100% of the shares of this company in May 2013 (**Advangen Acquisition**) and at a notional issue price of \$0.05 per share.

Under ASX Listing Rule 7.4, shareholders may approve the issue of securities made within the limitation of ASX Listing Rule 7.1. Shareholder ratification of the issues of securities is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the number of shares issued was 4,917,482;
- (b) the shares issued rank equally in all respects with other existing ordinary shares;
- (c) the persons who were issued shares in the Company pursuant to the Advangen Acquisition were subject to escrow requirements between the period of 3 to 12 months from the date of share issue;
- (d) the names of the persons to whom the Company issued the shares under the Advangen Acquisition are listed below in this Explanatory Statement under Resolution 7;
- (e) no funds were raised by the issue of the shares pursuant to the Advangen Acquisition as the purpose of the issue was as part consideration for the Advangen Acquisition; and
- (f) Resolution 6A is subject to a voting exclusion statement (see the Notice of Annual General Meeting).

Recommendation

The directors recommend that shareholders vote in favour of Resolution 6A.

Resolution 6B – Ratification of Prior Issue of Shares made under ASX Listing Rule 7.1A

The Company also issued 50,820,142 fully paid ordinary shares to the previous shareholders of Advangen Inc. as part consideration for the Advangen Acquisition with shareholder approval under ASX Listing Rule 7.1A and at a notional issue price of \$0.05 per share. The Company is also requesting ratification of this share issue under ASX Listing Rule 7.4.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the number of shares issued was 50,820,142;

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- (b) the shares issued rank equally in all respects with other existing ordinary shares;
 - (c) the persons who acquired shares in the Company pursuant to the Advangen Acquisition were subject to escrow requirements between the period of 3 to 12 months from the date of share issue;
 - (d) the names of the persons to whom the Company issued the shares under the Advangen Acquisition are listed below in this Explanatory Statement under Resolution 7;
 - (e) no funds were raised by the issue of the shares pursuant to the Advangen Acquisition as the purpose of the issue was as part consideration for the Advangen Acquisition; and
 - (f) Resolution 6B is subject to a voting exclusion statement (see the Notice of Annual General Meeting).

Recommendation

The directors recommend that shareholders vote in favour of Resolution 6B.

RESOLUTION 7 – ADDITIONAL CAPACITY TO ISSUE EQUITY SECURITIES UNDER ASX LISTING RULE 7.1A

General

ASX Listing Rule 7.1A enables eligible entities to issue equity securities of up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which approval of the issue is obtained (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of the Annual General Meeting and must remain compliant with the requirements of ASX Listing Rule 7.1A at the date the resolution is passed to be able to utilise the additional capacity to issue equity securities under that ASX Listing Rule.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The Company may use the 10% Placement Facility to provide funds for the Company's development programmes, new investments and/or general working capital purposes.

Description of ASX Listing Rule 7.1A

- (a) Shareholder approval

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of the Notice of Annual General Meeting, has on issue only two classes of quoted equity securities being ordinary shares and options.

The number of ordinary shares on issue as at the date of the Notice of Annual General Meeting is 650,470,078.

The number of quoted options on issue as at the date of the Notice of Annual General Meeting is 290,542,770. These options have an expiry date of 23 October 2016 and an exercise price of \$0.034.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

(A x D) - E

A is the number of ordinary securities on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval;
- less the number of fully paid ordinary shares cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders of ordinary securities under ASX Listing Rules 7.1 or 7.4.

(d) ASX Listing Rules 7.1 and 7.1A

The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

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At the date of this Notice of Annual General Meeting, the Company has on issue 650,470,078 ordinary shares and therefore at this date has a capacity to issue, subject to shareholder approval being obtained under Resolutions 5, 6 and 7:

- (1) 97,570,512 equity securities under ASX Listing Rule 7.1; and
- (2) 65,047,008 equity securities under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or the agreement to issue of the shares in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

(e) Minimum issue price

The issue price of shares issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or
- (2) if the securities are not issued within five trading days of the date in paragraph (1) above, the date on which the securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (2) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the directors to issue equity securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

Specific information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the information set out below is provided in relation to the approval of the 10% Placement Facility.

- (a) The equity securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's securities over the 15 trading days immediately before:
 - (1) the date on which the price at which the securities are to be issued is agreed; or
 - (2) if the securities are not issued within five trading days of the date in paragraph (1) above, the date on which the securities are issued.
- (b) If Resolution 7 is approved by shareholders and the Company issues equity securities under the 10% Placement Facility, the existing shareholders' voting power in the Company may be diluted as shown in the below table. There is a risk that:
 - (1) the market price for the Company's equity securities may be significantly lower on the date of the issue of the securities than on the date Resolution 7 is passed; and
 - (2) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of ordinary shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Annual General Meeting.

The table also shows:

- (1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (2) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2			Dilution	
		\$0.0155 50% decrease in issue price	\$0.031 issue price	\$0.062 100% increase in issue price
Current variable A 650,470,078 ordinary shares	10% Voting dilution	65,047,008 ordinary shares	65,047,008 ordinary shares	65,047,008 ordinary shares
	Funds raised	\$1,008,229	\$2,016,457	\$4,032,915
50% increase in current variable A 975,705,117 ordinary shares	10% Voting dilution	97,570,512 ordinary shares	97,570,512 ordinary shares	97,570,512 ordinary shares
	Funds raised	\$1,512,343	\$3,024,686	\$6,049,372
100% increase in current variable A 1,300,940,156 ordinary shares	10% Voting dilution	130,094,016 ordinary shares	130,094,016 ordinary shares	130,094,016 ordinary shares
	Funds raised	\$2,016,457	\$4,032,915	\$8,065,829

The table has been prepared on the following assumptions:

- the Company issues the maximum number of shares available under the 10% Placement Facility;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- the table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the meeting;

- the table shows only the effect of issues of shares under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - the issue of shares under the 10% Placement Facility consists only of ordinary shares. If the issue of shares includes listed options, it is assumed that those listed options are exercised into ordinary shares for the purpose of calculating the voting dilution effect on existing shareholders; and
 - the issue price is \$0.031 being the closing price of the ordinary shares on ASX on 11 October 2013.
- (c) The Company will only issue and allot the securities during the 10% Placement Period. The approval of Resolution 7 for the issue of the shares will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may issue the shares for cash consideration but alternatively may determine to issue shares or options for a non-cash consideration or in the case of options, for no consideration. The Company intends to use any funds raised for development programmes, new investments and/or general working capital purposes. The Company may issue shares for non-cash consideration as part of acquiring new intellectual property, new investments or in lieu of payment for services by consultants.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A on issue of any securities.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of securities will be determined by the directors on a case-by-case basis having regard to the factors including but not limited to the following:
- (1) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (2) the effect of the issue of the securities on the control of the Company;
 - (3) the financial situation and solvency of the Company; and
 - (4) advice from corporate, financial and broking advisers (if applicable).
- (f) The allottees under the 10% Placement Facility have not been determined as at the date of the Annual General Meeting but may include (at the discretion of the directors) existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

- (g) The Company previously obtained shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 23 November 2012 and provides the following information to comply with ASX Listing Rule 7.3A.6:
- (1) The total number of equity securities issued by the Company in the 12 months preceding the date of the proposed Annual General Meeting is 132,582,973 (being 105,384,538 ordinary shares and 27,198,435 options) (as known at the date of this Notice of Annual General Meeting) and the percentage those securities represent of the total number of equity securities on issue at the commencement of that 12 month period (being 868,992,272 equity securities (545,085,540 ordinary shares and 328,906,732 options)) is 15.2%;
 - (2) The following details for all issues of equity securities by the Company during the 12 months preceding the date of the proposed Annual General Meeting (as known at the date of this Notice of Annual General Meeting):
 - (A) For an issue of shares in March 2013:
 - (I) 49,646,914 fully paid ordinary shares;
 - (II) a summary of the terms of the shares issued is set out in this Explanatory Statement under Resolution 5;
 - (III) the persons to whom the options were issued were sophisticated and professional investors. None of these persons were related parties of the Company;
 - (IV) the issue price was \$0.04 per share (and the shares were not issued at a discount to the market price on the date of issue);
 - (V) the total cash consideration for the issue of shares was \$1,985,876. Approximately \$1,000,000 of this cash has been spent on the following uses and the intended use of any remaining cash is to:
 - i. Strengthen the marketing of the Company's Evolis hair growth products in Australia and overseas; and
 - ii. Continue the Company's diagnostic and therapeutic antibody product development programs.
 - (B) For an issue of options in March 2013:
 - (I) 27,198,435 unlisted options;
 - (II) a summary of the terms of the issued unlisted options is set out in this Explanatory Statement under Resolution 6;

- (III) the persons to whom the options were issued were sophisticated and professional investors. None of these persons were related parties of the Company;
- (IV) the issue price was \$0.001 per option exercisable at \$0.05 per option (and the exercise price of the options was not a discount to the market price of shares on the date of option grant);
- (V) the total cash consideration for the issue of options was \$27,198. All of this cash has been spent on the following uses:
 - i. Strengthen the marketing of the Company's Evolis hair growth products in Australia and overseas; and
 - ii. Continue the Company's diagnostic and therapeutic antibody product development programs.

(C) For an issue of shares in May 2013:

- (I) 55,737,624 fully paid ordinary shares;
- (II) the shares issued rank equally in all respects with other existing ordinary shares;
- (III) the names of the persons to whom the shares were issued is set out below. None of these allottees were related parties of the Company:

ALLOTEES	NUMBER OF SHARES ALLOTTED
bhp Inc	2,851,485
Biotech Healthcare No.1 Limited Partnership	8,732,673
bhp No.2 Investment Limited Partnership	14,257,426
The Yasuda Enterprise Development III Limited Partnership	1,485,149
Dr Syuichi Oka	712,871
Dr Masahiro Asada	475,248
Dr Toru Imamura	712,871
Mr Takanori Hibi	4,752,475
Dr Noriie Itoh	9,504,950
Ms Naoko Takeda	2,376,238
Ms Hiroko Kazama	2,376,238
Moore Family Nominee Pty Ltd <Moore Family Super Fund A/C>	7,500,000

- (IV) the notional issue price was \$0.05 per share (which was not a discount to the market price at the time of issue);
 - (V) the issue was for non-cash consideration being payment to the previous shareholders of Advangen Inc. (Japan) as part consideration for the Company's strategic acquisition of 100% of the shares of this company. The current value of this non-cash consideration is as set out in the independent valuation report on Advangen Inc. (Japan) released by the Company to the market on Thursday 19 September 2013.
- (h) A voting exclusion statement is included in this Notice of Annual General Meeting. At that date, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the shares. Accordingly, no existing shareholder's votes will be excluded under the voting exclusion in this Notice of Annual General Meeting.

Recommendation

The directors recommend that shareholders vote in favour of Resolution 7.

Cellmid Limited

ACN 111 304 119

FOR ALL ENQUIRIES CALL:
+61 2 9221 6830

FACSIMILE:
+61 2 9221 8535

Name and Address

ALL CORRESPONDENCE TO:
Cellmid Limited
Suite 1802, Level 18,
15 Castlereagh Street
Sydney NSW 2000 Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE YOUR PROXY FORM MUST BE RECEIVED BEFORE 11:00 am (Sydney time) on Wednesday 20 November 2013

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

If you are entitled to cast two or more votes, you may appoint up to two proxies. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: this form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than **11:00 am on Wednesday, 20 November 2013** (being 48 hours before the commencement of the meeting at **11:00 am on Friday, 22 November 2013**). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL Cellmid Limited,
Suite 1802, Level 18,
15 Castlereagh Street
Sydney NSW 2000 Australia

BY FAX + 61 2 9221 8535

IN PERSON Cellmid Limited,
Suite 1802, Level 18,
15 Castlereagh Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Cellmid Limited

- <Address 1>
- <Address 2>
- <Address 3>
- <Address 4>
- <Address 5>
- <Address 6>

STEP 1 - Appointment of Proxy

I/We being a member/s of Cellmid Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Cellmid Limited to be held at Cliffons, Level 13, 60 Margaret Street, Sydney, NSW 2000 on Friday 22 November 2013 at 11:00 am** (Sydney time) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Important for Resolutions 1 and 4

(mark with an 'X') If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 and 4, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the Resolution 4 and that votes cast by the Chairman of the Meeting for Resolution 4 other than as proxy holder will be disregarded because of that interest. Also, by marking this box, you will have expressly authorised the Chairman of the Meeting to vote in favour of Resolutions 1 and 4 even though those items are connected directly or indirectly with the remuneration of a member of the key management personnel.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolutions 1 and 4 and your votes will not be counted in calculating the required majority if a poll is called on the resolution. To the extent the Chairman is entitled to do so, the Chairman of the meeting will vote undirected proxies in favour of Resolutions 1 and 4.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

<i>Ordinary Business</i>		For	Against	Abstain*
Resolution 1	Adopt the Remuneration Report for year ending 30 June 2013	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of director – Dr David King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Special Business</i>				
Resolution 3	Share issue as consideration for transfer of Advangen International shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of loan shares to Maria Halasz under employee incentive plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5A	Ratification of prior issue of ordinary shares under placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5B	Ratification of prior issue of options under placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6A	Ratification of prior issue of ordinary shares made under ASX Listing Rule 7.1 for Advangen acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6B	Ratification of prior issue of ordinary shares made under ASX Listing Rule 7.1A for Advangen acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Additional capacity to issue equity securities under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business to the extent he is entitled to do so.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / / 2013