

ASX ANNOUNCEMENT

CELLMID RECEIVED PACIFIC EDGE MILESTONE SHARES

- **Pacific Edge have issued 1,084,622 shares to Cellmid having achieved their requisite milestone**
- **The shares have been issued pursuant to the midkine diagnostic license agreement signed on 17 May 2010**

SYDNEY, Thursday, 1 August 2013: Cellmid Limited (ASX: CDY) has been notified that it has been issued 1,084,622 milestone shares by Pacific Edge Limited (Pacific Edge).

Cellmid signed a license agreement with Pacific Edge in 2010 for the use of midkine as one of the biomarkers in their bladder cancer test (*Cxbladder*®). The license between Cellmid and Pacific Edge provides for a milestone fee, payable in Pacific Edge shares, and due at the time *Cxbladder*® sales commence in the USA. In addition to the milestone fee royalties will also be paid to Cellmid on *Cxbladder*® revenues.

Pacific Edge has achieved solid progress since the license was signed and has recently received CLIA¹ registration of its Pennsylvania labs clearing the way for the launch of *Cxbladder*® in the United States. The CLIA registration enables Pacific Edge to commence their sales and marketing program to urologists.

With the issuing of 1,084,622 shares Pacific Edge completed its milestone fee obligations under the license.

Midkine has been extensively validated as a biomarker in a range of cancers. It has been shown to appear very early in some solid tumours with demonstrated utility in disease management and monitoring. Cellmid owns patents for the use of midkine as a biomarker for the early diagnosis, prognosis and disease management of any cancer.

In addition to its in-house diagnostic programmes, Cellmid's commercialisation strategy includes out-licensing this patent family to diagnostic companies on a cancer indication basis. The first license was signed in October 2009 with Celera-Quest for midkine to be used in their lung cancer test.

Since then Cellmid signed several licenses and commercial collaboration agreements with diagnostic companies including Pacific Edge, Fujikura Kasei and most recently Abcodia, creating a strong and growing portfolio of diagnostic assets.

¹ Clinical Laboratory Improvement Amendment, CLIA, sets standards and issues certificates for clinical laboratory testing in the United States. It is administered by the US Centre for Medicare and Medical Devices, CMS

About Cxbladder

Bladder cancer is one of the most common forms of malignancies. In the United States around one million patients present with haematuria annually; of those 68,000 are diagnosed with bladder cancer. Once treated, patients will have regular cystoscopies. Cystoscopy is a painful endoscopy of the urethra to monitor reoccurrence. Pacific Edge's *Cxbladder* has the potential to replace cystoscopy over time as a preferred method of patient monitoring tool.

Cxbladder has shown outstanding performance in clinical studies to date, with 100% sensitivity and 85% specificity in late stage bladder cancer. This specificity is expected to increase when using it in a monitoring setting. The test can also be used to differentiate between high and low grade cancers.

Cxbladder was the subject of a comparative study of 485 patients and it significantly outperformed other commercially available bladder cancer tests. Importantly, it has identified 20 cases of bladder cancer that were not identified by cystoscopy during clinical work-up.

Ends

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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.