Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Hemostemix Inc. (“Hemostemix” or the “Company”)
Suite 2150, 300-5th Avenue SW
Calgary, Alberta, T2P 3C4

Item 2 Date of Material Change

April 18, 2019

Item 3 News Release

The material change was disclosed in the Company’s annual audited financial statements and MD&A for the year ended December 31, 2018 which were both filed on SEDAR on April 30, 2019.

Item 4 Summary of Material Change

The Company entered into a management contractor agreement with Kingsman Scientific Management Inc. (“KSM”).

Item 5.1 Full Description of Material Change

The Company entered into a new management contractor agreement with KSM, dated April 18, 2019 with an effective date of January 1, 2019 (the “KSM Agreement”). Pursuant to the KSM Agreement, KSM will provide certain senior management and other personnel to oversee and manage all aspects of the day to day operations and management of Hemostemix, including the Company’s current clinical trial for critical limb ischemia (“CLI”) and research and development initiatives as well as assist in identifying additional appointments to the Company’s Board of Directors (the “Board”) and management team.

The KSM Agreement has a term of one year with an option for an additional one-year renewal period. Should there be a change of control which results in the termination of the KSM Agreement, KSM will be entitled to a lump sum payment equal to 25% of all payments made to KSM in the prior 12 months, or annualized should the contract be terminated prior to a full 12 months of operations. KSM will be compensated based on a fixed fee for key management personnel costs, support services, accounting and office rental and cost plus 15% for clinical trial operations as well be entitled to bonuses of up to 25% of the overall documented cost savings from the 3rd party proposed CRO plan and a bonus of $50,000 for each month it achieves early completion of patient enrollment for the current Phase II clinical trial for CLI as compared to the 3rd party CRO plan. In addition, KSM will be entitled to stock options to be granted from time to time subject to availability pursuant to the Company’s stock option plan, to acquire common shares in the capital of the Company, to be allocated as determined by KSM, in an amount equivalent of up to five percent (5%) of the Company's total issued and outstanding common shares.

Mr. Kyle Makofka is the majority owner of KSM and is the CEO of the Company. It is anticipated, that Mr. Makofka will be granted a portion of the stock options that may be granted pursuant to the KSM Agreement.

<u>Disclosure Required by MI 61-101</u>

The Board has considered the application of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”) in connection with the KSM Agreement on the basis that it constitutes a “related party transaction” within the meaning of MI 61-101. In addition, the Board also considered relevant corporate law applicable to disclosure by officers in relation to contracts in the same context. The Board has received and considered detailed disclosure from management and others, in relation to KSM generally and the KSM Agreement in particular.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) ***a description of the transaction and its material terms:***

See Item 5.1 above for a description of the KSM Agreement.

(b) ***the purpose and business reasons for the transaction:***

The intent of entering into the KSM Agreement is provide the Company with cost savings, achieve faster enrollment in the current clinical trial and provide the personnel and resources to manage the Company’s operations.

(c) ***the anticipated effect of the transaction on the issuer’s business and affairs:***

The Company does not anticipate any material effect on the Company’s business and affairs.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

See Item 5.1 above for a description of the interest of KSM and Kyle Makofka in connection with the KSM Agreement.

(ii) ***the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:***

The following table sets out the effect of the KSM Agreement on the percentage of securities of the Company beneficially owned or controlled by KSM and Kyle Makofka:

Name and Position	Number of Stock Options that may be Issued	No. of Securities Held prior to before any stock option issuances	Percentage of Issued and Outstanding Securities prior to issuance of stock options	No. of Securities Held After Issuance of Stock Options	Percentage of Issued and Outstanding Securities After Issuance of Stock Options
Kyle Makofka[2], CEO of the Company	7,794,930[1]	4,000,000 Shares 2,000,000 Warrants 14,833,736 Stock Options	6.56% (partially diluted)	4,000,000 Shares 2,000,000 Warrants 22,628,666 Stock Options	8.8% (partially diluted)

[1]7,794,930 represents the maximum number of stock options that may be issued pursuant to the KSM Agreement. It is not know at this time how many stock options, if any, will be issued to KSM or Mr. Makofka. Any stock option issuances are subject to TSXV Policies on stock options and availability in the Company's option pool.

[2]Mr. Makofka is the majority owner of KSM, which hold no securities of the Company.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

No director was requested to abstain on the resolution of the Board approving the KSM Agreement. See the disclosure above.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) ***the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:***

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See Item 5.1 above.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The KSM Agreement is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(b) in that the Company's common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration to be paid to the related party does not exceed 25% of the Company's market capitalization.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable

Item 7 Omitted Information

No significant facts remain confidential in, or no information has been omitted from, this report.

Item 8 Executive Officer

For more information, please contact Kyle Makofka, Chief Executive Officer
Telephone: (403) 506-3373

Item 9 Date of report:

May 7, 2019