HEMOSTEMIX

# Hemostemix Provides Corporate Update

CALGARY, Alberta, Nov. 19, 2019 -- Hemostemix Inc. ("**Hemostemix**" or the "**Company**") (TSX VENTURE: HEM; OTCQB: HMTXF), a biotechnology company developing and commercializing blood-derived stem cell therapies for unmet medical conditions, announces that the Company and Kingsman Scientific Management Inc. ("**KSM**") have agreed to the early termination of the KSM management services agreement dated April 19, 2019 (the "**Management Agreement**"), with such termination effective October 31, 2019. KSM may continue to provide basic accounting and administrative services to the Company in the future but, as of the date hereof, there is no formal agreement in place in respect of this. In connection with the termination of the Management Agreement, Kyle Makofka has resigned as the Company's CEO. The Company has commenced the search for a suitable replacement and will announce any appointment in due course.

The Company further announces that it entered into an amended license agreement (the "**Amended License**") dated September 30, 2019 with Aspire Health Science, LLC ("**Aspire**"). The Amended License was made to amend the original license agreement (the "**Original License**") between the Company and Aspire dated February 15, 2018 in respect of the Company's lead therapeutic product technology, ACP-01, granting Aspire exclusive rights to use, sell, and import ACP-01 in certain jurisdictions. The terms of the Original License were set forth in a press release of the Company dated February 23, 2018. Under the terms of the Amended License, Aspire has the exclusive rights to use, sell and manufacture ACP-01 worldwide for the treatment of certain approved medical indications, namely Coronary Artery Disease (CAD), Peripheral Artery Disease (PAD), CLI, Congestive Heart Failure (CHF) and other indications applicable to ACP-01, as well as related rights to manufacture ACP-01 at its Orlando, Florida facilities for such purposes. Under the terms of the Amended License, Hemostemix is entitled to receive, as a condition precedent under the Amended License, an up-front payment of US$1,000,000 (the "**Amended License Payment**") from Aspire within 30 days of the date first written in the Amended License (which Amended License Payment has not been received as of the date of this press release), a 4% royalty on gross revenue generated from gross revenues of Aspire in respect of ACP-01, and a share of net proceeds in respect of any partnering event of certain specified monetary value with a third party in respect of the development, manufacturing and commercialization of ACP-01 and the intellectual property of the Company. Under the Amended License, Aspire will assume responsibility for the conduct and completion of the Phase II clinical trial for CLI, be responsible for all costs to plan, implement, oversee and complete the clinical trial within 24 months of the effective date of the Amended License, and will pay for all production of all products required to continue and complete the trial, pay for all research and development necessary to meet all necessary regulatory requirements to advance ACP-01 to a Phase III clinical trial. Upon successful completion of the Phase II clinical trial, Aspire will be required to advance ACP-01 to a Phase III clinical trial for CLI and be responsible for all costs associated with the trial including all necessary regulatory approvals, oversight costs, production costs, all related costs for commercialization of ACP-01. Under the Amended License, Aspire has the right to plan, implement and conduct further clinical trials related to ACP-01 for other allowed medical conditions applicable to ACP-01 and Hemostemix will continue to maintain control of all aspects of its intellectual property subject to the Amended License, including manufacturing protocols, intellectual property rights, all improvements in the related technology, as well as the use of the technology for other products such as NCP-01 and BCP-01. The Amended License has a term which continues until the later of 10 years from the effective date of the Amended License or to the end of the life of Hemostemix's patents. Aspire may terminate the Amended License upon 90 days' written notice to Hemostemix or if ACP-01 is determined to not be safe or lacks the clinical efficacy required to continue its development. Hemostemix may terminate the Amended License should Aspire cease to actively make or market ACP-01. Either party may terminate the Amended License should there be a breach of a material condition or on bankruptcy or insolvency of either party to the Amended License.

As of the date of this release, the Company has not received the Amended License Payment from Aspire as required under the Amended License.

The Company received confirmation of acceptance for filing from the TSX Venture Exchange in respect of the Original License and the Amended License on November 4, 2019.

The Company will continue to seek other means to reduce costs and will continue to look at available financing and restructuring alternatives.

**ABOUT HEMOSTEMIX INC.**

Hemostemix is a publicly traded clinical-stage biotechnology company that develops and commercializes innovative blood-derived cell therapies for medical conditions not adequately addressed by current treatments. It is one of the first clinical-stage biotech companies to test a stem-cell therapy in an international, multicenter, Phase II clinical trial for patients with Critical Limb Ischemia, a severe form of peripheral artery disease caused by reduced blood flow to the legs. The Phase II trial targets a participant's diseased tissue with proprietary cells grown from his or her blood that can support the formation of new blood vessels. The Company's intellectual property portfolio includes over 50 patents issued or pending throughout the world. The Company is continuing research and development of its lead product, ACP-01 with other applications, including cardiovascular, neurological and vascular indications.

For more information, please visit www.hemostemix.com or email office@hemostemix.com.

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***Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined under the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release***.

*Forward-Looking Statements*

*Certain statements in this press release are forward-looking statements and are prospective in nature. Forward-looking statements are statements that are not based on historical facts but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements can generally, but not always, be identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential," and similar expressions, or that events or conditions "will," "would," "may," "could," or "should" occur. Forward-looking statements in this release include the disclosure regarding the respective obligations of the parties under the Amended License, which may not be fulfilled in a timely manner or at all, including the payment by Aspire of the Amended License Payment, which has not been received by the Company as of the date of this release, the finding and hiring of a suitable replacement candidate for the officer position of CEO, the ability to seek other means to reduce costs, the ability of Hemostemix to obtain future necessary financing and complete restructuring in the future, and the anticipated completion of the Phase II CLI trials in Canada and the United States. Although Hemostemix believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Forward-looking statements are based on the beliefs, estimates, and opinions of Hemostemix management on the date such statements were made. By their nature forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors also include, but are not limited to, the Company's stage of development, future clinical trial results, long-term capital requirements and future ability to fund operations, future developments in the Company's markets and the markets in which it expects to compete, risks associated with its strategic alliances and the impact of entering new markets on the Company's operations. Each factor should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. Hemostemix expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.*