

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Hemostemix Inc. ("Hemostemix" or the "Company")
Suite 1150, 707-7th Avenue SW
Calgary, Alberta, T2P 3H6

Item 2 Date of Material Change

May 19, 2020

Item 3 News Release

The news release was disseminated on May 19, 2020 through Stockwatch and filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that, subject to TSX Venture Exchange ("TSXV") approval, it will close a non-brokered private placement of up to 25,000,000 units (the "Units") at \$0.01 per Unit for gross proceeds of up to \$250,000 (the "Offering"). The Company also intends to file its debt settlement ("Debt Settlement") of trade payables this week in an amount up to \$358,514 at \$0.01 per common share.

Item 5.1 Full Description of Material Change

Please see attached Schedule "A".

Item 5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 Reliance on subsection 7.1(2) or (3) 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 Thomas Smeenck, President and CEO
Telephone: (905) 580-4170

Item 9 Date of report:

May 20, 2020

Schedule "A"

Hemostemix Announces Private Placement and Provides Debt Settlement Update

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

Calgary, Alberta, May 19, 2020– Hemostemix Inc. ("Hemostemix" or the "Company") (TSXV:HEM; OTC: HMTXF) is pleased to announce that, subject to TSX Venture Exchange ("TSXV") approval, it will close a non-brokered private placement of up to 25,000,000 units (the "**Units**") at \$0.01 per Unit for gross proceeds of up to \$250,000 (the "**Offering**"). The Company also intends to file its debt settlement ("**Debt Settlement**") of trade payables this week in an amount up to \$358,514 at \$0.01 per common share.

Each Unit of the Offering is comprised of one common share of the Company (each a "**Share**") and one share purchase warrant (each a "**Warrant**"). Each Warrant will entitle the holder to acquire one additional Share in the capital of the Company at a price of \$0.05 per Warrant for a period of one year from the date the Units are issued. If, on any 10 consecutive trading days occurring after four months and one day following the Closing Date of the Offering, the closing sales price of the Shares (or the closing bid, if no sales were reported on a trading day) as quoted on the TSXV is greater than \$0.07 per Share, the Company may provide notice in writing to the holders of the Warrants by issuance of a press release that the expiry date of the Warrants will be accelerated to the 30th day following the date of such press release.

The pricing of the Offering and Debt Settlement are in reliance of the temporary relief measures established by the TSXV on April 8, 2020. In response to the COVID-19 pandemic, the TSXV published the temporary relief measures to Policy 4.1 and Policy 4.3, lowering the minimum pricing from \$0.05 to \$0.01 per share for shares issued pursuant to a private placement or debt settlement, where the market price of an issuer's shares is not greater than \$0.05.

Proceeds from the Offering are expected to be used to pay finder fees payable in connection with the closing (\$8,000), for the build-out of the management team including the hiring of the Chief Financial Officer (up to \$200,000), legal fees (\$2,500), and working capital (\$39,500). If the Offering is not fully subscribed, the proceeds will be used in such proportions as the Directors and Management determine are in the best interests of the Company. Although the Company intends to use the proceeds of the Offering as described above, the actual allocation of proceeds may vary from the uses set out depending on future operations, events or opportunities.

The Offering will be completed pursuant to certain exemptions from the prospectus requirements under applicable securities laws. The Offering is open to all existing shareholders of the Company in reliance upon the prospectus exemption described in Multilateral CSA Notice 45-313 Prospectus Exemptions for Distributions to Existing Security Holders and set forth in the various corresponding blanket orders and rules in each of the provinces and territories of Canada (the "**Existing Shareholder Exemption**"), subject to the terms and conditions therein. The aggregate acquisition cost to a subscriber under the Existing Shareholder Exemption cannot exceed \$15,000 unless that subscriber has obtained advice from a registered investment dealer regarding the suitability of the investment. The Company has fixed May 19, 2020 as the record date for the purpose of determining existing shareholders of the Company who are entitled to participate in the Offering pursuant to the Existing Shareholder Exemption. Subscribers purchasing Units under the Existing Shareholder Exemption will need to represent in writing that they meet certain requirements of the Existing Shareholder Exemption, including that on or before the record date, they became a shareholder of the Company and that they continue to be a shareholder of the Company. In accordance with the requirements of the Existing Shareholder Exemption and Investment Dealer Exemption, the Company confirms there is no material fact or material change related to the Company which has not been generally disclosed. The Offering may be closed in one or more tranches. There is no minimum subscription amount. The Company may pay finders fees to eligible finders of up to 8% cash and 8% Finder Warrants. Each Finder's Warrant may be exercised to acquire a Unit of the Offering.

ABOUT HEMOSTEMIX

Hemostemix is a publicly traded autologous stem cell therapy company. A winner of the World Economic Forum Technology Pioneer Award, the Company developed and is commercializing its lead product ACP-01 for the

treatment of CLI, PAD, Angina, Ischemic Cardiomyopathy, Dilated Cardiomyopathy and other conditions of ischemia. ACP-01 has been used to treat over 300 patients, and it is the subject of a randomized, placebo-controlled, double blind trial of its safety and efficacy in patients with advanced critical limb ischemia who have exhausted all other options to save their limb from amputation.

On October 21, 2019, the Company announced the results from its Phase II CLI trial abstract entitled “Autologous Stem Cell Treatment for CLI Patients with No Revascularization Options: An Update of the Hemostemix ACP-01 Trial With 4.5 Year Followup” which noted healing of ulcers and resolution of ischemic rest pain occurred in 83% of patients, with outcomes maintained for up to 4.5 years.

The Company owns 91 patents across five patent families titled: Regulating Stem Cells, In Vitro Techniques for use with Stem Cells, Production from Blood of Cells of Neural Lineage, and Automated Cell Therapy. For more information, please visit www.hemostemix.com.

Contact: Thomas Smeenk, President, CEO & Co-Founder
TSmeenk@Hemostemix.com 905-580-4170

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

This release may contain forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, 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. 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 include, but are not limited to, the Company’s ability to fund operations and access the capital required to continue operations, the Company’s stage of development, the ability to complete its current CLI clinical trial, complete a futility analysis and the results of such, future clinical trials and results, long-term capital requirements and 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. Additional information identifying risks and uncertainties are contained in the Company’s filing with the Canadian securities regulators, which filings are available at www.sedar.com.