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

December 10, 2020

Item 3 News Release

The news release was disseminated on December 11, 2020 through Stockwatch.

Item 4 Summary of Material Change

Hemostemix announced the issuance of shares for debt (the "**Shares for Debt Issuance**").

Item 5.1 Full Description of Material Change

Hemostemix Inc. ("**Hemostemix**" or the "**Company**") (TSXV: HEM; OTC: HMTXF) announces it has issued 24,987,435 common shares at a deemed price of $0.01 per common share to settle $249,874.35 of debt owed to various arm's length parties and one non-arm's length party of the Company, as previously disclosed in a press release dated September 29, 2020. The transaction has been approved by the TSX Venture Exchange and all common shares issued shall be subject to a four month hold period commencing from the date of issuance.

The participation of one director in the debt settlement transaction constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") and the policies of the TSXV. The Company is relying upon the exemptions from the formal valuation and minority shareholder approval requirements pursuant to sections 5.5(b) and 5.7(1)(a), respectively, of MI 61-101 on the basis that the Company is not listed on a specified stock exchange and, at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the deemed consideration for the transaction, insofar as it involves an interested party (within the meaning of MI 61-101) in the transaction, exceeds 25% of the Company's market capitalization calculated in accordance with MI 61-101.

A written resolution of all of the directors of the Company dated effective December 11, 2020 approved the Shares for Debt Issuance. No special committee was established in connection with the Shares for Debt Issuance, and no materially contrary view or abstention was expressed or made by any director in relation to the Shares for Debt Issuance.

This material change report filed in relation to the Shares for Debt Issuance was not filed at least 21 days prior to the completion of the Shares for Debt Issuance as contemplated by MI 61-101. The Company believes that this shorter period is reasonable and necessary in the circumstances as the completion of the Shares for Debt Issuance occurred shortly before the issuance of the news release and the filing of this material change report.

The Company is not aware of any material changes that have not been previously disclosed.

ABOUT HEMOSTEMIX

Hemostemix is a publicly traded autologous stem cell therapy company, founded in 2003. 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 currently 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 presentation entitled "Autologous Stem Cell Treatment for CLI Patients with No Revascularization Options: An Update of the Hemostemix ACP-01 Trial With 4.5 Year Follow-up" 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 clinical trial is ongoing.

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

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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 Information: This material change report contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this material change report contains forward-looking information in relation to the commercialization of ACP-01. There can be no assurance that such forward-looking information will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Hemostemix's current beliefs and is based on information currently available to Hemostemix and on assumptions Hemostemix believes are reasonable. These assumptions include, but are not limited to: the underlying value of Hemostemix and its Common Shares; the successful resolution of the litigation that Hemostemix is pursuing or defending (the "**Litigation**"); the results of ACP-01 research, trials studies and analysis, including the midpoint analysis, being equivalent to or better than previous research, trials or studies as well as management's expectations of anticipated results; Hemostemix's general and administrative costs remaining constant; the receipt of all required regulatory approvals for research, trials or studies; the level of activity, market acceptance and market trends in the healthcare sector; the economy generally; consumer interest in Hemostemix's services and products; competition and Hemostemix's competitive advantages; and Hemostemix obtaining satisfactory financing to fund Hemostemix's operations including any research, trials or studies, and the Litigation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Hemostemix to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the ability of Hemostemix to complete its current CLI clinical trial, complete a satisfactory futility analysis and the results of such and future clinical trials; litigation and potential litigation that Hemostemix may face; general business, economic,

competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations including the actual results of future research, trials or studies; competition; changes in legislation affecting Hemostemix; the timing and availability of external financing on acceptable terms; long-term capital requirements and future developments in Hemostemix's markets and the markets in which it expects to compete; lack of qualified, skilled labour or loss of key individuals; and risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, disruptions to economic activity and financings, disruptions to supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession or depression; the potential impact that the COVID-19 pandemic may have on Hemostemix may include a decreased demand for the services that Hemostemix offers; and a deterioration of financial markets that could limit Hemostemix's ability to obtain external financing. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Hemostemix's disclosure documents on the SEDAR website at www.sedar.com. Although Hemostemix has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this material change report is expressly qualified by this cautionary statement. The forward-looking information contained in this material change report represents the expectations of Hemostemix as of the date of this material change report and, accordingly, it is subject to change after such date. However, Hemostemix expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

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 Thomas Smeenk, President
Telephone: (905) 580-4170

Item 9 Date of report:

December 11, 2020