HEMOSTEMIX

Hemostemix Signs License Agreement with Aspire Health Science

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CALGARY, Alberta, Feb. 23, 2018 -- **Hemostemix Inc**. ("**Hemostemix**" or the "**Company**") (TSX VENTURE:HEM) is pleased to announce it has finalized the terms of a license agreement (the "**License Agreement**") with Aspire Health Science, LLC ("**Aspire**") for the Company's lead therapeutic product technology, ACP-01. ACP-01 is currently the subject of a U.S. Food and Drug Administration (FDA) and Health Canada approved Phase II clinical trial for patients with critical limb ischemia (CLI). Aspire is an Orlando, Florida based private company focused on the field of stem cell manufacturing as well as related research and development utilizing state-of-the-art FDA cGMP (Current Good Manufacturing Practices) certified laboratory facilities in Orlando, Florida. As previously announced, the Company also recently finalized the terms of a contract manufacturing services agreement (the "**Manufacturing Agreement**") with Aspire, formalizing the transition of the Company's stem cell manufacturing operations from Company owned facilities in Israel to Aspire's Orlando, Florida facilities.

Under the terms of the License Agreement, Aspire has the exclusive rights to use, sell and import ACP-01 in The Bahamas, Costa Rica, the Dominican Republic, Mexico, Panama and the State of Florida for the treatment of certain approved medical indications, namely Coronary Artery Disease (CAD), Peripheral Artery Disease (PAD), CLI, Congestive Heart Failure (CHF) and such other indications as may be designated by Hemostemix from time to time. Aspire will have related rights to manufacture ACP-01 at its Orlando, Florida facilities for such purposes. Hemostemix will receive double digit on net sales from all revenue generated from ACP-01 in the assigned territories. The License Agreement has an initial three (3) year term, with options for Hemostemix to renew for additional two (2) year extensions.

Commercialization of ACP-01 for the approved medical indications in the assigned territories, shall be the responsibility of Aspire, and is be conducted in accordance with marketing plans developed or to be developed by Aspire in consultation with Hemostemix. The marketing plans are to set out a description of the strategies and business plan, including sales forecasts (including quarterly revenue targets), and budgets for promotional investment in ACP-01 with respect to commercialization. The failure to achieve such minimum revenue targets are related to Hemostemix having a consequential right to terminate the license(s) granted for the assigned territories (or as applicable, in any one or more particular state, provincial, national or similar jurisdiction within the assigned territories on a separate basis). Hemostemix will continue to maintain control of all aspects of the product(s) subject to the License Agreement (including in particular ACP-01), including manufacturing protocols, intellectual property rights, all improvements in the related technology, as well as the use of the technology and products in terms of specific applications.

Management expects that the License Agreement will allow Hemostemix to begin generating revenue from its technology while it continues with the Phase II CLI trial in Canada and the United States. As a first step towards commercialization under the License Agreement, Aspire is in late stages of negotiating terms with The Partners Stem Cell Centre ("**PSCC**") operating within The Medical Pavilion Bahamas ("**TMPB**"), based in Nassau, Bahamas, to complete a Phase I Open Trial, Non-Randomized, Single Center Study at their Nassau facility. TMPB is the brainchild of Dr. Conville S. Brown (now the Chairman, President and CEO of the related CSB5 Group of Companies), founded in 1990 and focused on a Partnered Care Model intended to share the burden of health care between the private, user and government sectors with the goal of ensuring accessibility to quality treatment to all. It is a private medical facility with more than 50 full-time medical staff and international directors, including world-renowned specialists in multiple disciplines and collaborative centres, including The Bahamas Heart Centre, The Cancer Centre Bahamas, The Institute for Advanced Medical Procedures and the PSCC.

The ACP-01 trial at the PSCC has been approved by the local Ministry of Health and will consist of twenty (20) heart patients and twenty (20) CLI patients for treatment under the same clinical trial protocol applicable to the Hemostemix Phase II clinical trial. Dr. Brown (MD, MBBS, FACC, FESC, PhD), who specializes in Internal Medicine and Cardiology has been personally involved in the development of the ACP-01 trial at the PSCC with Aspire.

Management of the Company understands that the estimated royalties for it generated through the completion of the ACP-01 trial at the PSCC are to be in the range of Cdn $250,000 to $350,000.

In addition to the royalties expected to be received from the ACP-01 trial at the PSCC, in accordance with the License Agreement, Hemostemix will also receive all the pertinent data collected during the trial. The data collected from the heart patients in particular will be of significant value to Hemostemix as it builds the necessary safety and efficacy data for ACP-01 that will allow the Company to expand into future phased clinical trials in Canada and the United States focused on Congestive Heart Failure (CHF).

Angus Jenkins, Chair of the Board of Hemostemix, commented; "This represents another important step in the plan to provide continued evidence of the safety and efficacy of ACP-01 for cardiovascular disease as well as show the need to commercialize Hemostemix's technology. With this licencing arrangement, we not only begin to generate revenue, we also increase our exposure to the medical community and gain valuable data without relinquishing any control over our intellectual property."

ABOUT ASPIRE HEALTH SCIENCE

Aspire is an Orlando, Florida based private company focused on the field of stem cell manufacturing as well as related research and development utilizing state-of-the-art U.S. Food and Drug Administration (FDA) cGMP (Current Good Manufacturing Practices) certified laboratory facilities in Orlando, Florida. As previously disclosed by the Company, Aspire was founded by Drive Capital in January of 2017 and has been organized as a wholly-owned subsidiary of Drive Capital Holdings (USA), Inc., that is itself a wholly-owned subsidiary of R.E.J. Investment Group, LLC.

In accordance with the approach for transactions involving Aspire previously disclosed by the Company, the board of directors of the Company (the "**Board**") have considered the possible application of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") to transactions between the Company and Aspire, on the basis that they could possibly constite one or more "related party transactions" 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 Aspire generally and the License Agreement in particular. The Board has concluded that Aspire is not a related party of the Company within the meaning of MI 61-101 and that accordingly, transactions with Aspire will generally not be "related party transactions" within that framework. Notwithstanding this conclusion, the Board has further determined that even if transactions with Aspire were to be considered related party transactions within the meaning of MI 61-101, they would be exempt from the formal valuation and minority approval requirements it provides for.

ABOUT HEMOSTEMIX

Hemostemix is a public clinical-stage biotechnology company that develops and commercializes innovative blood-derived cell therapies for medical conditions not adequately addressed by current treatments. It is the first clinical-stage biotech company to test a stem-cell therapy in an international, multicenter, Phase II clinical trial for patients with critical limb ischemia (CLI), a severe form of peripheral artery disease (PAD) 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.

Hemostemix Inc. is traded on the TSX Venture Exchange under the trading symbol HEM. To find out more visit hemostemix.com or email office@hemostemix.com.

Contact:

Kyle Makofka,
President and CEO
Suite 1049, 150 – 9th Avenue S.W.
Calgary, Alberta T2P 3H9
Phone: (403) 506-3373
E-Mail: kmakofka@hemostemix.com

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