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HEMOSTEMIX INC.

Hemostemix Announces Updates on Rights Offering

August 15, 2017, Blackfalds, Alberta - Hemostemix Inc. ("**Hemostemix**" or the "**Company**") (TSX VENTURE: HEM) is pleased to announce that the Company has raised gross proceeds of $1,063,750.75 from its previously announced offering of rights ("**Rights**") which expired on August 11, 2017 (the "**Rights Offering**").

As previously announced, the Rights Offering is part of a capital raising program consisting of (i) a $4,400,000 secured credit transaction, (ii) the Rights Offering, (iii) a private placement of subscription receipts (the "**Private Placement**"); and (iv) a series of shares for debt transactions (collectively, the "**Financings**"). Details of the uses of the gross proceeds of the Financings are described in the Company's rights offering circular dated July 17, 2017 (the "**Circular**"), a copy of which may be obtained under the Corporation's profile on SEDAR at www.sedar.com.

A formal closing of the Rights Offering is expected to occur shortly pursuant to which the Company will issue an aggregate of 21,275,015 subscription receipts ("**Subscription Receipts**") based upon the exercise of the Rights. The gross proceeds of the Rights Offering, will be held in escrow on behalf of the subscribers by Computershare Trust Company of Canada, as escrow agent (the "**Escrow Agent**") pending the delivery by the Corporation and PI Financial Corp. (the "**Agent**"), to the Escrow Agent, a joint notice (the "**Release Notice**"), confirming that the release conditions are satisfied prior to the escrow deadline, both as the previously described (the date upon which that occurs being the "**Release Date**"). Assuming that occurs, each Subscription Receipt issued pursuant to the Rights Offering will automatically be converted into 21,275,015 units ("**Units**") consisting of 21,275,015 common shares in the capital of Hemostemix (each a "**Common Share**") and 10,637,507 transferable warrants (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at price of CAD$0.20 for a period of 2 years from the Release Date, with an accelerated exercise provision attached to each Warrant commencing on the day following (x) the conversion of the applicable Subscription Receipts into Units and (y) the expiry of any applicable hold period on the underlying Common Share, stating that if, for ten consecutive trading days, the closing price of the listed shares of the Company exceeds CDN $1.00, then the Company may elect to accelerate the expiry date by providing the Warrant holders, 30 days notice by way of a press release of the accelerated expiry date.

Participants in the Rights Offering subscribed for 12,824,039 Subscription Receipts under the basic subscription privilege and 8,450,976 Subscription Receipts under the additional subscription privilege.

Based on a conversion of the Rights into Subscription Receipts and then such Subscription Receipts into Units, would result in a post-closing total of 95,858,134 outstanding Common Shares.

As previously disclosed, it is expected that the remainder of the offering consisting of the Rights Offering and the Private Placement combined (together the "**Offering**") not filled based on the Rights Offering is expected to be filled based on the Private Placement Offering. If the Company does not on a combined basis raise the gross proceeds of a minimum of CDN$5,000,000 (the "**Minimum Offering**"), the Company will not close on any conversion of Subscription Receipts issued based on the exercise of Rights. In the event the Release Notice is not provided on or before the escrow deadline, the subscriptions evidenced by each Subscription Receipt shall be automatically terminated and cancelled and each holder of Subscription Receipts will be entitled from and after such time to receive: (i) a refund of the aggregate subscription price in respect of such holder's Subscription Receipts; and (ii) such holder's *pro rata* portion of interest earned, if any, from the closing of the Offering to the termination time, on the escrowed proceeds less applicable withholding taxes, if any.

Pursuant to the Soliciting Dealer Agreement between the Company and the Agent related to the Rights Offering, the Company is due to pay a cash commission of 5% of the gross proceeds from the Rights Offering, other than any related Subscription Receipts sold to subscribers listed on the president's list of the Company for which the Company will be due to pay a 3% cash commission. In addition, the Company will be due to pay the Agent a corporate finance fee of up to $30,000 + $1,500 GST for a total of $31,500. All cash commissions are to be paid upon the Release Date. Also on the Release Date, the Company will be due to issue to the Agent warrants (the "**Agent's Warrants**") equal in number to 5% of the aggregate number of Units underlying the Subscription Receipts sold under the Rights Offering, other than any Units underlying the Subscription Receipts sold to subscribers listed on the president's list of the Company for which the Company will be due to issue Agent's Warrants equal in number to 3% of such Units. Each Agent's Warrant will each entitle the Agent to purchase, at an exercise price equal to $0.05, one unit (each an "**Agent's Unit**") consisting of one Common Share (each an "**Agent's Share**") and one-half of one warrant (each whole warrant an "**Agent's Unit Warrant**"). Each Agent's Unit Warrant shall be exercisable into one additional Common Share for two years from the Release Date at an exercise price of $0.20 per Common Share, with an accelerated exercise provision attached to each Agent's Unit Warrant commencing on the day following (x) the conversion of the applicable Agent's Unit and (y) the expiry of any applicable hold period on the underlying Common Share, stating that if, for ten consecutive trading days, the closing price of the listed shares of the Issuer exceeds CDN $1.00, then the Company may elect to accelerate the expiry date by providing the Agent's Unit Warrant holders, 30 days notice by way of a press release of the accelerated expiry date. The Agent's Warrants may be exercised at any time and from time to time for a period of three years following the Release Date. Without making any reductions for the president's list of the Company the Company projects being due to pay the Agent $53,187.54 in cash commissions and to issue 1,063,750 Agent's Warrants.

ABOUT HEMOSTEMIX INC.

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 2 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 2 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.

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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.

The securities offered pursuant to the Rights Offering have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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 stage of development, 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.