



Hemostemix Inc. Announces Agreement to Resolve all Outstanding Matters with Hemostemix (Asia) Corporation (HEMA)

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BLACKFALDS, Alberta, Aug. 17, 2017 (GLOBE NEWSWIRE) -- **Hemostemix Inc.** ("**Hemostemix**" or the "**Company**") (TSX VENTURE:HEM) today announced that it has reached an agreement with Hemostemix (Asia) Corporation ("**HEMA**") to definitively resolve all outstanding matters with HEMA including the litigation against the Company being carried on by HEMA.

As part of the agreement, the Company has agreed to pay HEMA an amount based on expenses incurred based on the strategic alliance formed between the Company and HEMA in 2015, together with a payment of certain legal fees of HEMA incurred in connection with the litigation against the Company.

The payment based on expenses is to be \$217,000 and made by way of the issuance of common shares in the capital of the Company. The Company expects to treat the transaction with HEMA as another one of the previously announced series of shares for debt transactions with certain of the Company's creditors in full satisfaction of certain trade payables and other debts payable to be concluded in connection with the Company's previously announced offerings of subscription receipts of the Company comprised of: (i) a private placement; and (ii) concurrent rights offering (the "**Offering**"). The legal fees are to be paid for in cash.

Pursuant to the agreement, subject only to the receipt of the payments, HEMA will release all claims against the Company, HEMA's litigation (which included a USD\$50 million loss of income claim) will be discontinued on a without costs basis and the strategic alliance between the Company and HEMA will be terminated.

Reaching this agreement to resolve matters with HEMA represents a significant milestone in the efforts that have been made towards the reorganization and transition of the Company's affairs that began with the engagement of Drive Capital to provide management services in December of 2016.

Kyle Makofka, Chief Restructuring Officer commented, "It is unfortunate that we have not been able to fully capitalize on all of the time, effort and resources spent in pursuing the strategic alliance with HEMA and its principals, including Mr. Jim Brown and we thank him for his past support for the Company, including his service as a director." Mr. Makofka stated further, "However, definitively resolving these matters should ultimately be a positive step for all involved. In addition, the conclusion of these matters will strategically allow the Company to pursue fresh opportunities in Asia, not only in Taiwan, China and South Korea, which were directly addressed by the agreements with HEMA, but also potentially Thailand, Indonesia and Japan as well."

The shares for debt for HEMA are to be issued at a deemed price equivalent to the Offering price, being \$0.05 or such other price as may be dictated by the TSX Venture Exchange. The obligations of the parties hereunder are subject to acceptance of the terms of the issuance of the shares for debt to HEMA by the TSX Venture Exchange and all other required regulatory approvals.

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.

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 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.

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