HEMOSTEMIX

Hemostemix Signs Manufacturing Agreement with Aspire Health Science

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CALGARY, Alberta, Feb. 22, 2018 -- **Hemostemix Inc.** ("**Hemostemix**" or the "**Company**") (TSX VENTURE:HEM) is pleased to announce it has finalized the terms of a contract manufacturing services agreement (the "Manufacturing Agreement") with Aspire Health Science, LLC ("Aspire") underpinning the previously announced transition of the Company's stem cell manufacturing operations from Company owned facilities in Israel to a third party operator in North America. 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.

In addition to Aspire already boasting management and advisory staff including multiple medical doctors and PhD qualified scientists, over the past number of months, Aspire has further strengthened their professional and leadership ranks with the additions of Laxminarayanan (Laxmi) Krishnan (PhD, MBBS), as Principal Research Scientist and Matthew (Matt) Bolin (BSN, RN, RT(R)), as VP Operations. Together they have brought to Aspire over 35 years of combined experience in related medical fields including wide ranging clinical expertise.

Pursuant to the Manufacturing Agreement, Aspire will be responsible for the manufacturing of the Company's lead product ACP-01, for use in the Company's North American based, international, multicenter, Phase II clinical trial for patients with critical limb ischemia (CLI). It was product from Aspire's facilities that was the subject of the Health Canada review and approval related to the current CLI trial announced by the Company in December of 2017. The Company understands that Aspire's registrations with the FDA and the Florida Department of Health will similarly enable the use of product from Aspire's facilities at US regulated sites.

The Manufacturing Agreement has an initial one year term with provisions to renew for additional six month extensions. Basic charges and pricing is fixed throughout the initial one year term. In addition to ordinary contract manufacturing provisions, the Manufacturing Agreement will also provide Hemostemix with access to Aspire's laboratory and personnel for research and development ("R&D") purposes. Hemostemix will have dedicated work space in Aspire's Orlando lab facility throughout the term of the Manufacturing Agreement and the freedom to conduct R&D work there at its discretion so long as it does not interfere with Aspire's production schedules. Any and all improvements to the Company's pre-existing technology or otherwise related to ACP-01 made pursuant to the Manufacturing Agreement are to remain or become (upon discovery) the property of Hemostemix.

Beginning with its engagement of Drive Capital in December of 2016, management of the Company has been actively reviewing and evaluating proposals from various contract manufacturers while concurrently evaluating the prospects for maintaining the Company's Israel facilities as part of the fundamental goal of restarting the Company's then-halted CLI trial. The criteria Hemostemix developed for selecting a new manufacturing laboratory or maintaining the Israel facilities included reducing overall manufacturing cost, improved logistics for the presently North America focused clinical trials, high quality technical and leadership personnel and the capacity to expand R&D efforts. As previously disclosed, transitioning the Company's manufacturing from Israel to Orlando has enabled the closure of the Company's Israel laboratory, reduced overall costs for Hemostemix and improves the transportation and logistics for delivering ACP-01 to the current North American focused clinical trial sites.

Angus Jenkins, Chair of the Board of Hemostemix noted: "After careful evaluation, Aspire was clearly the best fit for our current objectives. The agreement allows Hemostemix to streamline the production of ACP-01 for our current trials, while ensuring the highest quality is maintained in a regulated and certified lab. Aspire's lab has undergone strict testing to ensure that all the FDA requirements and clinical trial protocols can be executed with the highest quality standards."

ABOUT ASPIRE HEALTH SCIENCE

As previously disclosed by the Company, Aspire was founded by Drive Capital in January of 2017.

Aspire has been organized as a wholly-owned subsidiary of Drive Capital Holdings (USA), Inc. ("Drive Capital USA"), a Delaware corporation, that is itself a wholly-owned subsidiary of R.E.J. Investment Group, LLC, a California limited liability company wholly-owned by Ms. Randi Wood, a resident of the United States and the adult daughter of Mr. Jed M. Wood as well as the sister of Mr. Blake Wood (the principal of Wood Capital Ltd.). In addition to serving as the President and CEO of the Company and the Managing Director of Drive Capital, Mr. Makofka is also the President and CEO of Aspire.

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 constitute 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 Manufacturing 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.

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