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HEMOSTEMIX INC.

Hemostemix Announces Further Progress and the Resumption of Trading

February 8, 2017, Blackfalds, Alberta

February 8, 2017, Blackfalds, Alberta - Hemostemix Inc. ("Hemostemix" or the "Company") (TSX VENTURE: HEM) announces additional progress and details of the corporate reorganization of the Company originally announced on December 22, 2016 and updated by announcements on January 25, 2017, including further details regarding the management contractor agreement with Drive Capital, the transition of the Company's Chief Executive Officer ("CEO") and the resumption of trading of the Company's shares on the TSX Venture Exchange ("TSXV").

As announced by the Company on December 22, 2016, the Company has entered into a management contractor agreement (the "Management Agreement") with Drive Capital pursuant to which Drive Capital is to be compensated by way of (a) fees based on 15% of the total operating expenses over the term of the Management Agreement, and (b) options to acquire common shares to be granted from time to time in an amount equivalent to seven percent (7%) of the Company's total issued and outstanding shares (the "Option Pool").

The Management Agreement further provides that grants from this Option Pool are to be allocated as determined by Drive Capital, among new management and/or consultants of the Company recruited and/or engaged during the term of the Management Agreement as well as to Drive Capital. The Company and Drive Capital expect that, in addition to compensating Drive Capital directly, grants from the Option Pool will be used to attract and retain new management and/or consultants and other qualified personnel, and motivate them to achieve the Company's strategic objectives in conjunction with the long-term interests of shareholders.

It is expected that initial grants from the Option Pool will be made concurrent with the closing of the first equity financing completed by the Company during the term of the Management Agreement, if any, with an exercise price being the lesser of (a) the discounted market price of the shares at that time, and (b) the equivalent of the per share price of the financing, but in any event no less than the discounted market price of the shares at that time. It is also expected that grants from this Option Pool will be made pursuant to the Company's existing incentive stock option plan ("Option Plan") and as such be subject to the general terms of the Option Plan and all applicable policies of the TSXV, including without limitation those that provide for maximum issuances to single participants under the Option Plan in any 12-month period.

The Company also announced that it has received the remaining CDN \$375,000 in emergency funding for the Company to satisfy certain critical trade payables pursuant to the demand loan agreement between the Company and Wood Capital Ltd. (the "Demand Loan Agreement"). The maximum available amount of CDN \$750,000 to be advanced pursuant to the Demand Loan Agreement has now been extended. There are no additional amounts available to the Company under the terms of the Demand Loan Agreement.

To enable the Company to meet its ongoing obligations and further develop and execute on its business plan, additional capital will be required. The Company together with Drive Capital is actively engaged in planning related to equity financing options with pricing likely to be at the discounted market price of the shares at the time of such financing.

The Company is actively seeking to concurrently conditionally settle certain debts with various suppliers whereby such debts would be paid for in whole or in part by way of the issuance of additional common shares at a price equivalent to the pricing of a forthcoming equity financing should one be completed. The Company presently estimates that the debts it reasonably may expect to settle with shares in this fashion to be in the range of CDN \$1,000,000 and CDN \$1,300,000.

In addition to shares for debt settlements with suppliers, the Company is actively seeking to concurrently conditionally settle existing litigation, in whole or in part in a similar fashion. In particular the Company confirms it is engaging in discussions with Hemostemix (Asia) Corporation ("HEMA"), which has sued the Company over the termination by the Company of the agreements entered into by it with HEMA, and is seeking CDN \$50 million in damages. The Company disputes the total amounts claimed by HEMA. Also, the Company is engaging in discussions with a former officer Robert Achtymichuk and a company he controls, who have sued based on a historical consulting services agreement. The Company disputes the total amounts claimed by Mr. Achtymichuk but did not have the financial resources available to it to defend his litigation in the ordinary course, and as a result he has obtained a default judgment and a writ of enforcement based thereon in the amount of \$331,052.92 plus \$4,485.90 in costs. Further, the Company is engaging in discussions with two other former executives with whom the Company has defaulted on amounts payable under settlement agreements negotiated with them. Pursuant to the settlement agreements, they are to be paid cash settlement amounts on a monthly basis. One of those former executives, Rahul Sarugaser has now obtained a judgment against the Company based on his prior settlement agreement for CDN \$100,000 plus costs in the amount of CDN \$2,300.

The Company also announces that Dr. Elmar Burchardt has stepped down as President and CEO with immediate effect. Dr. Burchardt was appointed CEO in 2014 in connection with the qualifying transaction between its predecessor entities Technical Ventures RX Corp. and TheraVitae Inc. that resulted in the formation of Hemostemix and subsequently also served the Company as its President and a director. The board of directors wishes to express its thanks to Dr. Burchardt for his service to the Company and wishes him success in his future endeavors.

Upon and following his resignation, Dr. Burchardt has made a variety of demands based on allegedly unpaid compensation payable. The Company is investigating Dr. Burchardt's demands generally, specifically disputes the merits of certain of them and intends to defend any formal legal claims that may arise based on such disputed demands.

The recently reconstituted board of directors (the "Board") together with Chief Restructuring Officer, Mr. Kyle Makofka, will work to determine the appropriate replacement for Dr. Burchardt. During the search process, the Board together with Drive Capital will provide direction and oversight to the Company's executive team, including the Chief Restructuring Officer, the Chief Financial Officer, Mr. David Berman and the Vice President, Research and

Development, Dr. Ina Sarel, as they continue to manage the day to day operations of Hemostemix.

In keeping with the announcement of the Company on January 6, 2017, trading of the Shares on the TSXV was halted on January 6, 2017 at the request of the Company based on it having only one remaining director at that time. Based in part on the reconstitution of the Board and the re-establishing of the Company's Audit Committee and Corporate Governance and Compensation Committee first announced on January 19, 2017 the TSXV has confirmed that trading of the Shares will resume on February 10, 2017.

The Shares of the Company have historically been quoted on the OTCQX market of OTC Markets Group under the trading symbol HMTXF. In December 2016, the Company decided not to maintain this U.S. listing.

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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