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**HEMOSTEMIX INC.**

**Hemostemix Announces Corporate Updates**

**March 21, 2017, Blackfalds, Alberta**

**March 21, 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 and February 8, 2017.

As previously announced, 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 continues to be actively engaged in planning related to financing options to allow the Company to continue to operate, however there can be no assurance that the Company will be able to obtain such financing on terms acceptable to the Company or at all. The Company's inability to raise financing to support ongoing operations and obligations may have a material adverse effect upon the Company.

Although the Company has made strides to conditionally confirm arrangements to settle certain debts with various suppliers, these arrangements are all conditional on the Company successfully raising additional capital as they involve cash payment obligations and it is expected that these and other similar claims against the Company will likely go unsatisfied if additional financing cannot be obtained and the current first priority secured creditor Wood Capital Ltd. enforces its security.

The status of these supplier claims as well as the Company's still unresolved active litigation, including that with Hemostemix (Asia) Corporation and Robert Achtymichuk as well as the prospects of additional claims, including from former CEO Dr. Elmar Burchardt has made it difficult for the Company to attract and secure possible investment.

Further complications to the efforts to attract and secure possible financing for the Company have arisen based on due diligence focused on the status of the Company's phase 2 clinical trial. Serious concerns have been raised as to the integrity of the data collected to date, as well as the continuing usefulness (or lack thereof) of samples and data relating to patients being treated at the time the Company's master services agreement relating to clinical services ("CRO Agreement") was terminated by Criterium Inc. ("Criterium") as announced by the Company on June 28, 2016. Although Criterium and its applicable affiliates have been generally cooperative with the Company in terms of a willingness to assist with these matters, Criterium has now alleged that they are owed significant amounts in unpaid fees by the Company.

To the extent the phase 2 clinical trial samples and data in question cannot be salvaged in whole or in part: (a) the Company's budget for continuing on with its research-focused business plan may need to be significantly expanded; and (b) the fair market valuation of the Company without accounting for any new capital may be significantly eroded.

To the extent that no additional financing is obtained by the Company, there is a realistic possibility that Wood Capital Ltd. may be forced to institute a receivership or otherwise take steps to enforce security for its loans. Wood Capital Ltd. holds a first priority security position over all of the Company's assets in support of its CDN \$1,000,000 secured convertible debenture, described in the Company's new releases of August 11 and September 2, 2016 (the "Debenture") and its CDN \$750,000 demand loan agreement with the Company (the "Demand Loan Agreement") described in the Company's news releases of January 25 and February 8, 2017.

## **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](http://hemostemix.com) or email [office@hemostemix.com](mailto:office@hemostemix.com).

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## **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.