Hemostemix Announces Financing

written by Raj Shah | February 2, 2022

February 02, 2022 (Source) – Hemostemix Inc. (TSXV: HEM) (OTCQB: HMTXF) ("**Hemostemix**" or the "**Company**") is pleased to announce a non-brokered private placement of up to 7,200,000 Units at $0.14 each for gross proceeds of up to $1,008,000 (the "**Offering**"). The Offering will consist of the issuance of an aggregate of up to 7,200,000 Units at a price of $0.14 per Unit. Each Unit consists of one common share in the capital of the Company ("**Common Share**") and one common share purchase warrant ("**Warrant**"), with each full Warrant entitling the holder to acquire one Common Share at a price of $0.40 per Common Share for a period of 24 months from the closing of the Offering, subject to the accelerated expiry provision described below.

If during any 10 consecutive trading days occurring after four months and one day has elapsed following the closing date of the Offering, the average closing sales price of the Common Shares (or the closing bid, if no sales were reported on a trading day) as quoted on the TSX Venture Exchange ("**Exchange**") is greater than or equal to $0.55 per Common Share, the Company may provide notice in writing to the holders of the Warrants by issuance of a press release that the expiry date of the Warrants will be accelerated to the 30th day after the date on which the Company issues such press release.

Proceeds from the Offering will be used to pay finder fees of 8% of the proceeds that are payable in connection with the closing, current filing and regulatory fees, clinical trial costs, with the balance to be used for general working capital.

The participation of one Officer in the $0.14 Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security*

Holders in Special Transactions ("**MI 61-101**") and the policies of the TSXV. The Company is relying upon the exemptions from the formal valuation and minority shareholder approval requirements pursuant to sections 5.5(b) and 5.7(1)(a), respectively, of MI 61-101 on the basis that the Company is not listed on a specified stock exchange and, at the time the Offering was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction insofar as it involves an interested party (within the meaning of MI 61-101) in the Offering, exceeds 25% of the Company's market capitalization calculated in accordance with MI 61-101.

The Existing shareholder exemption and investment dealer exemption

The $0.14 Offering is made available to existing shareholders of the Company who, as of the close of business on February 1, 2022 hold common shares of the Company (and who continue to hold such common shares as of the closing date), pursuant to the prospectus exemption set out in Alberta Securities Commission Rule 45-513 – *Prospectus Exemption for Distribution to Existing Security Holders* and in similar instruments in other jurisdictions in Canada. The existing shareholder exemption limits a shareholder to a maximum investment of $15,000 in a 12-month period unless the shareholder has obtained advice regarding the suitability of the investment and, if the shareholder is resident in a jurisdiction of Canada, that advice has been obtained from a person that is registered as an investment dealer in the jurisdiction. If the Company receives subscriptions from investors relying on the existing shareholder exemption exceeding the maximum amount of the financing, the Company intends to adjust the subscriptions received on a pro rata basis.

The Company has also made the Offering available to certain subscribers pursuant to the investment dealer exemption. In accordance with the requirements of the investment dealer exemption, the Company confirms that there is no material fact or material change about the Company that has not been generally disclosed.

The Offering is subject to all necessary regulatory approvals including acceptance from the Exchange. All securities issued in connection with the Offering will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

ABOUT HEMOSTEMIX

Hemostemix is a publicly traded autologous stem cell therapy company, founded in 2003. A winner of the World Economic Forum Technology Pioneer Award, the Company developed and has published seven peer reviewed articles about the safety and efficacy of its lead product ACP-01 as a treatment of CLI, PAD, Angina, Ischemic Cardiomyopathy, Dilated Cardiomyopathy and other conditions of ischemia. ACP-01 has been used to treat over 300 patients, and it is the subject of a randomized, placebo-controlled, double blind trial of its safety and efficacy in patients with advanced critical limb ischemia who have exhausted all other options to save their limb from amputation.

On October 21, 2019, the Company announced the results from its Phase II CLI trial abstract presentation entitled “Autologous Stem Cell Treatment for CLI Patients with No Revascularization Options: An Update of the Hemostemix ACP-01 Trial With 4.5 Year Follow-up” which noted healing of ulcers and resolution of ischemic rest pain occurred in 83% of patients, with outcomes

maintained for up to 4.5 years.

The Company owns 91 patents across five patent families titled: Regulating Stem Cells, In Vitro Techniques for use with Stem Cells, Production from Blood of Cells of Neural Lineage, and Automated Cell Therapy. For more information, please visit **www.hemostemix.com.**

For further information, please contact:

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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.

Forward-Looking Information*: This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this news release contains forward-looking information in relation to: the completion of a financing, grant of stock options, the lead product ACP-01 and the commercialization of ACP-01. There can be no assurance that such forward-looking information will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Hemostemix's current beliefs and is based on information currently available to Hemostemix and on assumptions Hemostemix believes are reasonable. These assumptions include, but are not limited to: the underlying value of Hemostemix and its Common Shares; the successful resolution of the litigation that Hemostemix is pursuing or defending (the "**Litigation**"); the results of ACP-01*

research, trials, studies and analyses, including the analysis being equivalent to or better than previous research, trials or studies as well as management's expectations of anticipated results; Hemostemix's general and administrative costs remaining constant; the receipt of all required regulatory approvals for research, trials or studies; the level of activity, market acceptance and market trends in the healthcare sector; the economy generally; consumer interest in Hemostemix's services and products; competition and Hemostemix's competitive advantages; and Hemostemix obtaining satisfactory financing to fund Hemostemix's operations including any research, trials or studies, and the Litigation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Hemostemix to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the ability of Hemostemix to complete its current CLI clinical trial, complete a satisfactory analyses and the results of such analyses and future clinical trials; litigation and potential litigation that Hemostemix may face; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations including the actual results of future research, trials or studies; competition; changes in legislation affecting Hemostemix; the timing and availability of external financing on acceptable terms; long-term capital requirements and future developments in Hemostemix's markets and the markets in which it expects to compete; lack of qualified, skilled labour or loss of key individuals; and risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic,

including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, disruptions to economic activity and financings, disruptions to supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession or depression; the potential impact that the COVID-19 pandemic may have on Hemostemix which may include a decreased demand for the services that Hemostemix offers; and a deterioration of financial markets that could limit Hemostemix's ability to obtain external financing. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Hemostemix's disclosure documents on the SEDAR website at www.sedar.com. Although Hemostemix has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Hemostemix as of the date of this news release and, accordingly, it is subject to change after such date. However, Hemostemix expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.