Hemostemix Announces HS 12 – 01 Clinical Trial Completion of Subjects' Follow-Up Visits at the End of March and Warrants Extended and Repriced

written by Raj Shah | January 28, 2021

January 28, 2021 (Source) – Hemostemix Inc. (TSXV: HEM) (OTC: HMTXF) ("**Hemostemix**" or the "**Company**") is pleased to announce that all follow-up visits of the subjects enrolled in the HS 12 -01 clinical trial will be completed by March 31, 2021. A total 65 subjects who were enrolled in the trial, randomized 2:1 to receive ACP-01 or a placebo, will have completed the last follow-up appointments by March 31, 2021. The Company will provide additional information once trial data has been analyzed.

Warrant Amendments

The Company announces it is applying to the TSX Venture Exchange ("TSX-V") for approval to amend the exercise price and expiration date of outstanding warrants (the "**Warrants**") previously issued in connection with non-brokered private placements which closed on March 5, 2020 and March 25, 2020 (the "**Original Private Placements**").

Subject to approval of the TSX-V, and the restrictions applicable to insiders described below, the Warrants of the Company that expire on March 5, 2021 and March 25, 2021 will be repriced to $0.55 each and the expiry date extended to March 5, 2023 and March 25, 2023. In accordance with TSX-V policies, the

Warrants will also be amended to include an acceleration clause whereunder the exercise period of Warrants will be reduced to thirty (30) days, if, for any ten consecutive trading days during the unexpired term of the Warrants, the closing price of the Company's listed shares achieves or exceeds the price of 120% of the applicable exercise price. The 30-day expiry period commences on the day the Company either (i) disseminates a press release or (ii) sends a written notice to the holders of the Warrants, advising of the commencement of the exercise period.

A total of 13,618,522 Warrants were issued to subscribers under the Original Private Placements, including 5,180,000 Warrants issued to certain directors and officers (the "**Insiders**") of the Company. In accordance with the polices of the TSX-V, only 1,361,852 Warrants held by the Insiders, representing 10% of the Warrants to be amended, will be repriced on a pro rata basis to $0.55 and the remainder of the Warrants held by the Insiders will remain exercisable at $1 per share and the expiry dates extended as described above.

A portion of the Warrants are held by the Insiders considered to be "related parties" of the Company. Therefore, the amendment of Warrants constitutes a "related party transaction" as contemplated by Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*, and TSX-V Policy 5.9 – *Protection of Minority Shareholders in Special Transactions*. However, the exemptions from formal valuation and minority approval requirements provided for by these guidelines can be relied upon as the fair market value of the Warrants does not exceeds 25% of the market capitalization of the Company. A material change report in respect of this related party transaction will be filed by the Company.

The Company believes that the repricing of the Warrants is reasonable and necessary in the context of the market, as it

increases the likelihood that the Company will be financed through the exercise of the Warrants.

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 is commercializing its lead product ACP-01 for the 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.

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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 news 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 clinical trial 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 analysis, including the midpoint 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 futility analysis and the results of such 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 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.