Hemostemix Announces Private Placement Update

written by Raj Shah | December 29, 2020

December 29, 2020 (Source) – Hemostemix Inc. (TSXV: HEM) (OTC: HMTXF) ("**Hemostemix**" or the "**Company**") announces that it was granted price protection of its previously announced non-brokered private placement of units ("**Units**") announced on December 18, 2020, for gross proceeds of up to $2,750,000 (the "**Offering**"). The Offering will consist of the issuance of an aggregate of up to 9,166,666 post rollback Units at a price of $0.30 per Unit. Each Unit consists of one post rollback common share in the capital of the Company ("**Common Share**") and one post rollback common share purchase warrant ("**Warrant**"), with each full Warrant entitling the holder to acquire one Common Share at a price of $1.00 per Common Share for a period of 12 months from the closing of the Offering, subject to the accelerated expiry provision described below.

If, on any 10 consecutive trading days occurring after four months and one day has elapsed following the closing date of the Offering, the 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 $1.40 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 are expected to be used to pay finder fees payable in connection with the closing, current filing, regulatory and legal fees, accrued legal expenses, clinical

trial costs, and the balance to be used for general working capital purposes.

In connection with the Offering, the Company expects to receive final approval from the Exchange on December 30, 2020. All securities issuable pursuant to the Offering are subject to a four month and one day hold period from the date of issuance in accordance with applicable Canadian securities laws.

The participation of two directors in the 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 Offering was made available to existing shareholders of the Company who, as of the close of business on December 18, 2020, held 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 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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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 ability to fund operations and access the capital required to continue operations including closing additional tranches of the Offering or additional financings, the Company's stage of development, the ability to complete its current CLI clinical trial, complete a midpoint clinical trial analysis and futility analysis and the results of such, future clinical trials and results, long-term capital requirements and future developments in the Company's markets and the markets in which it expects to compete, risks associated with its business affairs including contracts, litigation, strategic alliances and their impacts including the entering of 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. Additional information identifying risks and uncertainties are contained in the Company's filing with the Canadian securities regulators, which filings are available at www.sedar.com.

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