Hemostemix Announces Unit Private Placement

written by Raj Shah | February 1, 2023
February 1, 2023 (Source) – Hemostemix Inc. (TSXV: HEM) (OTCQB: HMTXF) (FSE: 2VF0) is pleased to announce a non-brokered private placement of up to 14 Million Units priced at $0.24 each, closing in tranches. 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 $0.65 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 $0.80 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.

The Existing Shareholder Exemption and Investment Dealer Exemption

The Offering is made available to existing shareholders of the Company who, as of the close of business on January 2, 2023, 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.

Convertible Debentures Interest Payments

The Company announces that it is applying to the TSXV to pay interest of $150,684.93 by issuing 803,981 Common Shares, using the quarterly weighted average closing price of $0.18742 per share, to the convertible debenture holders in satisfaction of

interest due on the outstanding principal amount of $2,750,000 for the period from inception, April 25, 2022, to December 31, 2022. Please refer to the Company's new release dated April 25, 2022 for details of the terms and conditions of the convertible debenture.

The Company announces that it will pay interest of $153,408.78 by issuing 639,203 Common Shares, using the February 1, 2023 closing price of $0.24 per share, to the convertible debenture holder in satisfaction of interest due on the outstanding principal amount of $2,500,000 for the period from inception, January 1, 2022, to December 31, 2022. Please refer to the Company's new release dated June 21, 2021 for details of the terms and conditions of the convertible debenture.

The Common Shares will be issued in reliance on certain prospectus exemptions available under Canadian securities legislation and will be subject to a four month and one day hold period from the date of issuance.

The Common Shares are being issued primarily to insiders of the Company (the "**Insiders**"). Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the issuance of the Common Shares to pay the interest due under the convertible debenture will constitute a "related party transaction" as the Insiders are considered to be related parties to the Company. The Company will rely on exemptions from the formal valuation and minority approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(a)) as the fair market value of the securities to be distributed to, and the consideration received from, the Insiders will not exceed 25% of the Company's market capitalization.

The issuance of the Common Shares is subject to the acceptance

of the TSX Venture Exchange.

ABOUT HEMOSTEMIX

Hemostemix is an autologous stem cell therapy company, founded in 2003. A winner of the World Economic Forum Technology Pioneer Award, the Company has developed, patented, and is scaling a patient's blood-based stem cell therapeutics platform that includes angiogenic cell precursors, neuronal cell precursor and cardiomyocyte cell precursors. 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 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 payment of convertible debenture interest in shares, financing of the Company and its lead product ACP-01, the Phase II Clinical Trial of ischemic cardiomyopathy and related results, the retrospective study of ischemic and dilated cardiomyopathy, and the commercialization of ACP-01 via the sale of compassionate treatments approved by regulators. 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; 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 any 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 clinical trials, complete a satisfactory analyses and file the results of such analyses to gain regulatory approval of a phase II or phase III clinical trial of ACP-01; potential litigation Hemostemis mayface; 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.