
HEMOSTEMIX INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed consolidated interim financial statements of Hemostemix Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Hemostemix Inc.

Condensed Consolidated Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at March 31, 2026	As at December 31, 2025
ASSETS		
Current Assets		
Cash	\$ 171,584	\$ 682,117
Subscriptions receivable	29,210	29,210
HST/GST receivable	27,465	36,857
Prepaid expenses	49,408	39,078
Marketable securities (note 4)	147,652	59,603
Total current assets	425,319	846,865
Non-current assets		
Equipment (note 6)	32	37
Intangible assets (note 5)	1	1
Total assets	\$ 425,352	\$ 846,903
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities		
Accounts payable and accrued liabilities (note 13)	\$ 1,793,833	\$ 1,729,948
Total current liabilities	1,793,833	1,729,948
Non-current liabilities		
Debentures (note 7)	3,616,213	3,602,591
Deferred income tax payable	486,921	486,921
Total liabilities	5,896,967	5,819,460
Shareholders' Deficiency		
Share capital (note 8)	48,686,388	48,382,420
Warrants (note 9)	2,580,764	2,580,764
Contributed surplus	14,698,533	14,678,977
Accumulated other comprehensive loss	(51,678)	(19,076)
Deficit	(71,385,622)	(70,595,642)
Total Shareholders' Deficiency	(5,471,615)	(4,972,557)
Total Liabilities and Shareholders' Deficiency	\$ 425,352	\$ 846,903

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Incorporation, nature of business and going concern (note 1)
Commitments and contingencies (note 12)

Approved on behalf of the Board:

"Peter Lacey", Director, Chair of Audit Committee

"Thomas Smeenk", Director

Hemostemix Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Operating expenses		
Research and development	\$ 272,639	\$ -
Consulting and salaries (note 13)	166,450	186,401
Stock-based compensation (notes 10 and 13)	19,555	547,550
Marketing and office expenses (note 13)	62,275	48,893
Professional fees	92,372	220,652
Investor relations	113,728	-
Gain on debt settlement (note 13)	-	-
Unrealized gain on investments (note 7)	(134,310)	-
Travel	32,554	31,870
Foreign exchange loss	25,179	82,997
Finance expense (notes 7 and 11)	141,963	166,177
Derecognition of payables	(2,430)	-
Depreciation expense (note 6)	5	12
Net Loss from operations for the year	(789,980)	(1,284,552)
Other comprehensive loss		
Loss on currency translation	(32,602)	-
Net loss and comprehensive loss for the period	\$ (822,582)	\$ (1,284,552)
Basic and diluted net loss and comprehensive loss per share	\$ (0.005)	\$ (0.014)
Weighted average number of common shares outstanding - basic and diluted	163,436,112	95,058,881

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Hemostemix Inc.**Condensed Consolidated Interim Statements of Cash Flows**
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Operating activities		
Net loss for the period	\$ (789,980)	\$ (1,284,552)
Items not affecting cash:		
Stock-based compensation (note 10 and 13)	19,555	547,550
Finance expense (note 11)	59,882	164,967
Depreciation expense (note 6)	5	12
Foreign exchange loss	(32,603)	-
Unrealized gain on investments (note 7)	(134,310)	-
Changes in non-cash working capital items:		
Subscriptions receivable	-	200,000
Prepaid expense	(10,330)	8,409
HST / GST receivable	9,392	(39,898)
Accounts payable and accrued liabilities	63,888	740,978
Net cash used in operating activities	(814,501)	337,466
Investing activities		
Purchase of investments	-	(145,580)
Net cash used in investing activities	-	(145,580)
Financing activities		
Proceeds from private placement, net of issue cost (note 8)	303,968	-
Exercise of warrants (note 9)	-	54,978
Exercise of options	-	12,600
Net cash provided by financing activities	303,968	67,578
Net change in cash	(510,533)	259,464
Cash, beginning of period	682,117	705,700
Cash, end of period	\$ 171,584	\$ 965,164

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Hemostemix Inc.

Condensed Consolidated Interim Statements of Changes in Deficiency

(Expressed in Canadian Dollars)

(Unaudited) **Accumulated other comprehensive loss**

	Share Capital			Accumulated other			
	Number	Amount	Warrants	Contributed Surplus	comprehensive loss	Deficit	Total
Balance, December 31, 2024	140,641,953	\$ 43,917,274	\$ 1,538,381	\$ 13,221,905	\$ -	\$ (65,881,711)	\$ (7,204,151)
Exercise of warrants	405,280	71,953	(16,975)	-	-	-	54,978
Exercise of options	180,000	25,159	-	(12,559)	-	-	12,600
Common shares issued for debt	4,085,461	408,546	-	-	-	-	408,546
Stock-based compensation (note 10)	-	-	-	547,550	-	-	547,550
Expiry of warrants	-	-	(145,939)	-	-	145,939	-
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,284,552)	(1,284,552)
Balance, March 31, 2025	145,312,694	\$ 44,422,932	\$ 1,375,467	\$ 13,756,896	\$ -	\$ (67,020,324)	\$ (7,465,029)
Balance, December 31, 2025	195,253,367	\$ 48,382,420	\$ 2,580,764	\$ 14,678,978	\$ (19,076)	\$ (70,595,642)	\$ (4,972,556)
Issuance of common shares in private placement, net of issuance costs (note 8)	2,533,065	303,968	-	-	-	-	303,968
Stock-based compensation (note 10)	-	-	-	19,555	-	-	19,555
Net loss and comprehensive loss for the period	-	-	-	-	(32,602)	(789,980)	(822,582)
Balance, March 31, 2026	197,786,432	\$ 48,686,388	\$ 2,580,764	\$ 14,698,533	\$ (51,678)	\$ (71,385,622)	\$ (5,471,615)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

1. Incorporation, Nature of Business and Going Concern

Hemostemix Inc. ("Hemostemix" or "the Company") is a clinical stage biotechnology company whose principal business is to develop, manufacture and commercialize blood-derived stem cell therapies for medical conditions not adequately addressed by current treatments. Formed in 2002, and November 2014 under the Business Corporations Act (Alberta), the Company began trading on the TSX Venture Exchange on November 27, 2014. The Company's head office is located at Suite 1150, 707-7th Ave SW, Calgary, AB T2P 3H6.

The common shares of Hemostemix are listed on the TSX Venture Exchange under the symbol "HEM", Borse Frankfurt under the symbol "2VFO" and OTCQB under the symbol "HMTXF".

Hemostemix Inc. has five wholly-owned subsidiaries. Kwalata Trading Limited ("Kwalata"), incorporated under the laws of Cyprus, was established to own intellectual property ("IP"). On October 1, 2018, previous management structured the sale of the IP from Kwalata to Hemostemix and planned the wind up of Kwalata. This transaction was not completed and Kwalata remains a wholly owned subsidiary of Hemostemix Inc., and continues as an IP holding company. Hemostemix Ltd., another wholly owned subsidiary, was incorporated under the laws of Israel to conduct manufacturing and perform research and development. Effective October 1, 2017, Hemostemix Ltd. ceased operations. On June 14, 2022, the Company incorporated PreCerv Inc. ("PreCerv") as a wholly owned subsidiary. PreCerv obtained a global field of use license to NCP-01 and its autologous stem cell technologies from Hemostemix. On August 15, 2023, the Company incorporated Hemostemix Quebec Inc. as a wholly-owned subsidiary. On August 22, 2024, the Company incorporated HEM PR Inc. as a wholly-owned subsidiary in Puerto Rico.

The Company incurred a net loss of \$822,582 for the three months ended March 31, 2026, (three months ended March 31, 2025 - net loss of \$1,284,552) and had accumulated deficit of \$71,385,622 (December 31, 2025 - \$70,595,642). The Company's biotechnology is in the final-stage of the research of its main product ACP-01; as a result, the Company has not produced revenue nor achieved operational profitability and positive cash flows.

These conditions raise significant doubt about the Company's ability to continue operating as a going concern. The unaudited condensed consolidated interim financial statements do not include any adjustments to reflect any events since March 31, 2026 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

These unaudited condensed consolidated interim financial statements were approved by the Company's Board of Directors on May 29, 2026.

2. Material Accounting Policy

Statement of Compliance

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management in accordance with International Financial Reporting Standards including 34, "Interim Financial Reporting" ("IAS 34"). The notes presented in these unaudited condensed consolidated interim financial statements include only significant events and transactions occurring since our last fiscal year end and are not fully inclusive of all matters required to be disclosed in our annual audited financial statements. As such, these financial statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2025.

Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

2. Material Accounting Policy (Continued)

Consolidated financial statements

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Kwalata Trading Limited, Hemostemix Ltd. and PreCerv. The unaudited condensed consolidated interim financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is determined when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Effective October 1, 2017, Hemostemix Ltd. ceased operations in Israel and moved its clinical trial activities to North America. The operating results of its activities in Israel have been presented as a discontinued operation. On October 1, 2018, previous management structured the sale of the IP from Kwalata to Hemostemix and planned the wind up Kwalata. This transaction was not completed and Kwalata, a wholly owned subsidiary of Hemostemix Inc., continues as an IP holding company.

These unaudited condensed consolidated interim financial statements of the Company and of the subsidiaries are prepared as of the same dates and periods. The unaudited condensed consolidated interim financial statements are prepared using uniform accounting policies by the Company and all subsidiaries. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Functional and presentation currency

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3. Wholly-Owned Subsidiaries

Hemostemix has five wholly-owned subsidiaries. Kwalata is an IP holding company.

On October 1, 2017, the Company ceased its operations in Israel.

On June 14, 2022, the Company incorporated PreCerv as a wholly-owned subsidiary. PreCerv obtained a global field of use license to NCP-01 and ACP-01 and its autologous stem cell technologies from Hemostemix.

On August 29, 2023, the Company incorporated Hemostemix Quebec Inc. as a wholly-owned subsidiary.

On August 22, 2024, the Company incorporated Hemostemix PR Inc. as a wholly-owned subsidiary.

4. Marketable securities

The Company's marketable securities include common shares that are listed on the NASDAQ.

The company subscribed for an equity investment of 33,300 units in Firefly Neuroscience Inc. for USD\$99,900. Each unit consists one share and one warrant. Each whole warrant shall entitle the holder thereof to a Common Share at a price of USD \$4.00 per Common Share. A Warrant may be exercised at any time during the thirty-six (36) month period.

During the three months ended March 31, 2026, the Company recognized an unrealized loss of \$85,977 (three months ended March 31, 2025 - unrealized loss of \$nil) on marketable securities.

Marketable securities have been designated as fair value through profit or loss and are recorded at fair value using the last bid price, with changes recognized in the unaudited condensed consolidated interim statements of loss.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)

4. Marketable securities (continued)

Marketable securities are composed of:

	As at March 31, 2026	As at December 31, 2025
Marketable securities	\$ 147,652	\$ 59,603

5. Intangible Assets

Proprietary Protection - The Company's intellectual property is protected by several issued patents grouped together in five patent families, which currently have a carrying value of \$1 (December 31, 2025 - \$1).

During the three months ended March 31, 2026, additional provisional patent with trademark applications have been filed and patents continue to be pursued in additional jurisdictions; however, the Company has determined that none of these costs meet the criteria for deferral.

The five patent families are:

Family Patent	Status	Title
1	Granted in several countries including in the US Pending in Canada and Thailand	In-Vitro techniques for use with stem cells
2	Granted in several countries including Canada To be filed in US	Production from blood of cells of neural lineage
3	Granted in Singapore Pending in Canada, Europe and US	Regulating stem cells
4	Granted in several counties including the US and Canada Pending in Europe	Regulating stem cells
5	Granted Mexico, Singapore	Automated cell therapy

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)

6. Equipment

	Computers
Cost	
Balance - December 31, 2024, December 31, 2025 and March 31, 2026	\$ 6,138
Accumulated depreciation	
Balance - December 31, 2024	\$ (6,055)
Depreciation for the year	(46)
Balance - December 31, 2025	\$ (6,101)
Depreciation for the period	(5)
Balance - March 31, 2026	\$ (6,106)
Net book value	
As at December 31, 2025	\$ 37
As at March 31, 2026	\$ 32

7. Loans and Borrowing

(a) Convertible debenture

	Number of Debentures	Liability Component	Equity Component
Debentures, balance at December 31, 2024	2,750	\$ 3,033,472	\$ 7,922
Interest	-	220,000	-
Accretion	-	21,745	-
Repayment of interest	-	(408,546)	-
Balance at December 31, 2025	2,750	\$ 2,866,671	\$ 7,922
Interest (note 11)	-	54,247	-
Accretion (note 11)	-	93,985	-
Repayment of interest (note 8(b)(i))	-	-	-
Balance at March 31, 2026	2,750	\$ 3,014,903	\$ 7,922

On April 25, 2022, the Company closed a \$2,750,000 non-brokered private placement of convertible debentures (the "Convertible Debentures"), in the principal amount of \$2,750,000. Each Convertible Debenture consists of \$1,000 principal amount and 5,714 Convertible Debenture warrants. The debenture matures five years from the closing date and bears interest at a rate of 8% per annum, payable quarterly, in arrears in cash or Common shares at the option of the Company. The principal amount of the debenture may be convertible, only at the option of the holder, into common shares of the Company at a price of \$0.175 per common share. At the election of the Company, any accrued and unpaid interest may be converted into Common shares of the Company at a conversion price equal to market price, but not less than the conversion price. Each debenture warrant entitles the holder to acquire one common share at a price of \$0.20 per common share for a period of 60 months from the closing of the debenture offering.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

7. Loans and Borrowing (Continued)

(a) Convertible debenture (continued)

The liability component of the Debenture was valued using the effective interest rate method, based on an estimated effective interest rate of 9.85%. The difference between the \$2,750,000 principal amount of the Debentures and the discounted fair value of the liability component was recognized as the equity portion of the Debenture on the date of grant. No fair value measurement is required as liability component is measured at amortized cost after initial recognition. The fair value of 15,713,500 warrants issued was \$167,809 and the fair value of the 133,935 finder warrants issued was \$20,524. Additional issue costs of \$25,654 was incurred. The fair value of the equity component is \$7,922. Fair value has not changed as of March 31, 2026. On March 29, 2023, the Company settled \$150,680 of interest by issuing 803,971 common shares at a deemed unit price of \$0.19 (Note 8). On January 7, 2025, the Company settled \$408,546 of interest by issuing 4,085,461 common shares at a deemed unit price of \$0.10 (Note 8). No embedded and no fair value has been recalculated as of March 31, 2026. During the three months ended March 31, 2026, the Company incurred \$148,232 (three months ended March 31, 2025 - \$59,359) of accretion and interest expense, included in the consolidated Statements of Loss and Comprehensive Loss.

(b) Convertible debenture

	Number of Debentures	Liability Component
Debentures, balance at December 31, 2024	\$ -	\$ -
Issuance of debentures	15	708,243
Fair value movement	-	27,377
Balance at December 31, 2025	15	\$ 735,620
Issuance of debentures	-	-
Fair value movement (note 11)	-	(134,310)
Balance at March 31, 2026	15	\$ 601,310

During 2025, the Company issued ACP-01 Therapeutic Convertible Debentures (the "Debentures") to finance clinical development activities. The Debentures are mandatorily convertible at maturity, include a holder option to settle in ACP-01 treatment volumes, and have been designated at fair value through profit or loss under IFRS 9.

Terms

On July 14, 2025, the Company issued 15 Series B unsecured ACP-01 Therapeutic Convertible Debentures for aggregate proceeds of USD \$517,230 (USD \$34,482 per Debenture). The Debentures are denominated in United States dollars and mature on December 31, 2029.

Interest. Simple interest accrues at 6.0% per annum on the outstanding principal, payable annually in arrears on December 31. At the Company's option, interest may be settled in cash or common shares — in Year 1 at a fixed price of CAD \$0.155 per share; in Years 2 through maturity at the greater of CAD \$0.155 or the then current market price.

Principal conversion. At any time prior to maturity, the holder may convert all or a portion of the principal into common shares at CAD \$0.155 per share. If the Debentures remain outstanding at maturity, the Company must convert them at CAD \$0.155 per share.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

7. Loans and Borrowing (Continued)

(b) Convertible debenture (continued)

ACP-01 settlement. Instead of equity conversion, the holder may elect to convert any Debenture in full into one therapeutic volume of ACP-01, if available at the time of conversion.

Classification

The Debentures are classified as a financial liability in their entirety under IAS 32; no equity component is recognised. They do not qualify for equity classification because:

- the ACP-01 settlement option may require delivery of a non-equity, non-financial asset, which precludes equity classification;
- the principal is denominated in USD while the conversion price is fixed in CAD, so the number of shares issuable is variable in the Company's functional currency and fails the fixed-for-fixed criterion;
- the interest conversion price from Year 2 to maturity is the greater of CAD \$0.155 or market price, which is not a fixed price and independently fails the fixed-for-fixed criterion; and
- an Event of Default permits holders to demand immediate cash repayment upon certain involuntary insolvency events, creating a contingent cash obligation not solely within the Company's control.

The conversion features and the ACP-01 settlement option are terms of the financial liability and are not bifurcated.

Measurement

The Company designated the Debentures at fair value through profit or loss ("FVTPL") on initial recognition under IFRS 9.4.2.2(a) to eliminate an accounting mismatch. Absent this designation, the Debentures would be measured at amortized cost while economically significant features introduce variability not reflected in amortized cost measurement. The Debentures are remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss, except for changes attributable to the Company's own credit risk, which are recognised in other comprehensive income. Because the Debentures are measured at FVTPL, no separate interest expense or foreign exchange difference is recognised — the economic cost of the instruments and the effect of exchange rate movements are captured within the fair value remeasurement.

Fair Value Measurement

Hierarchy. The Debentures are classified as Level 3 in the IFRS 13 fair value hierarchy, as their fair value measurement uses significant unobservable inputs. While the share price and risk-free rate are observable, the commercial value and probability of availability of ACP-01 are unobservable inputs.

Technique. Monte Carlo simulation model with Geometric Brownian motion designed to capture the equity-linked, path-dependent nature of the Debentures' settlement features. This approach is commonly applied where the economic value of an instrument is driven by future share price performance and where closed-form valuation models are insufficient to reflect non-linear payoff structures.

Calibration. At the issuance date, the model was calibrated to the face value of the instrument at initial recognition. The company specific credit spread on the issuance date of 7.40% above the CCC-rated healthcare bond yield was not significantly changed at December 31, 2025, consistent with management's assessment that the Company's credit profile did not change materially during the period.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

7. Loans and Borrowing (Continued)

(b) Convertible debenture (continued)

The significant inputs used in the valuation model were as follows:

Input	Jul 14, 2025	Dec 31, 2025	Level
Share price — TSXV: HEM	CAD \$0.135	CAD \$0.090	1
Annualized historical volatility	127.67%	136.50%	2
Risk-free rate	2.97%	2.77%	2
Total discount rate	22.40%	22.25%	3
ACP-01 commercial value (per unit)	USD \$37,500	USD \$50,000	3
Probability of ACP-01 availability	95%	95%	3
USD/CAD exchange rate	1.3693	1.3706	2

The ACP-01 commercial value increased from USD \$37,500 at issuance to USD \$50,000 at December 31, 2025, reflecting higher anticipated costs related to external quality and safety testing. Changes in ACP-01 commercial value and estimated probability of availability will be reflected in fair value at future reporting dates. There were no transfers between levels of the fair value hierarchy during the period.

Movement in Fair Value

Three month period ended March 31, 2026	\$
Fair value at December 31, 2025	735,620
Change in fair value recognised in profit or loss	46,259
Change in fair value attributable to own credit risk recognised in OCI	—
Fair value at March 31, 2026	689,359

The initial recognition amount of \$708,243 represents USD \$517,230 translated at the spot rate of 1.3693 on July 14, 2025. The fair value increase of \$27,677 is driven primarily by the passage of time and the dominance of the ACP-01 treatment floor at the current share price, partially offset by the decline in the Company's share price.

Financial Risk Exposure

The Debentures expose the Company to equity price risk, foreign exchange risk, and credit risk. These risks are reflected in the fair value measurement through the valuation inputs described above.

In connection with the TCD offering, the Company paid cash finder's fees of CAD\$59,171 and issued 356,298 finder's warrants, each exercisable at CA\$0.155 per common share for one year from the closing date. The finder's warrants were measured at fair value on the grant date. As the TCDs are classified as financial liabilities measured at fair value through profit or loss under IFRS 9, the cash finder's fees and the fair value of the finder's warrants with a fair value of \$21,798 were recognized as financing costs in profit or loss.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

7. Loans and Borrowing (Continued)

(b) Convertible debenture (continued)

Carrying Amount and Classification

	March 31, 2026	Dec 31, 2025
	\$	\$
ACP-01 Therapeutic Convertible Debentures — FVTPL	689,359	735,619
Non-current	689,359	735,619

The fair value carrying amount of \$689,359 is equivalent to USD \$494,554 at the March 31, 2026 exchange rate of 1.3939. As the Debentures are measured at FVTPL, foreign exchange movements are included within the change in fair value recognised in profit or loss and no separate exchange difference is recognised for this instrument.

8. Share Capital

(a) Authorized

Unlimited number of shares designated as Common Shares

Unlimited number of shares designated as Preferred Shares

The preferred shares are issuable in series and have such rights, restrictions, conditions and limitations as the Board may from time to time determine. No preferred shares have been issued.

(b) Issued and outstanding

	Number of common shares	Amount
Balance, December 31, 2024	140,641,953	\$ 43,917,274
Exercise of finder warrants (note 9)	405,280	71,953
Exercise of options (note 10)	180,000	25,159
Shares issued for debt (i)	4,085,461	408,546
Balance, March 31, 2025	145,312,694	\$ 44,422,932
Balance, December 31, 2025	195,253,367	\$ 48,382,420
Private placement net of share issuance costs (ii)	2,533,065	303,968
Balance, March 31, 2026	197,786,432	\$ 48,686,388

i) In the first quarter of 2025, the Company issued 4,085,461 common shares at a deemed unit price of \$0.10 per common share to settle \$408,546 of interest from January 1, 2023 to September 30, 2024.

ii) In the first quarter of 2026, the Company closed a non-brokered private placement consisting of an aggregate of 2,533,065 common shares at a price of \$0.12 per common share each for gross proceeds of \$303,968.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

9. Warrants

The following table reflects the continuity of the investor warrants for the periods ended March 31, 2026 and 2025:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2024	76,061,490	\$ 0.17
Exercised	(275,000)	0.16
Expired (c)	(3,812,000)	0.65
Balance, March 31, 2025	71,974,490	\$ 0.14
Balance, December 31, 2025 and March 31, 2026	104,102,523	\$ 0.14

A summary of the status of the Company's broker warrants as at March 31, 2026 and 2025 is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2024	2,428,160	\$ 0.06
Exercised (f)	(130,280)	0.11
Balance, March 31, 2025	2,297,880	\$ 0.05
Balance, December 31, 2025 and March 31, 2026	2,028,740	\$ 0.11

- a) During the three months ended March 31, 2025, 3,812,000 warrants expired unexercised.
- b) During the three months ended March 31, 2025, 275,000 warrants with a Black Scholes value of \$8,106, were exercised into 275,000 common shares for proceeds of \$42,750
- c) During the three months ended March 31, 2025, 130,280 broker warrants with a Black-Scholes value of \$8,868, were exercised into 130,280 common shares for proceeds of \$16,050.

Hemostemix Inc.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

9. Warrants (continued)

As at March 31, 2026, the following warrants were issued and outstanding:

Expiry Date	Exercise Price (\$)	Number of Warrants and Broker Warrants
July 23, 2026	0.16	356,298
October 29, 2026	0.12	36,654,475
October 29, 2026	0.05	684,567
November 29, 2026	0.12	16,665,160
November 29, 2026	0.05	128,413
April 25, 2027	0.20	15,713,500
July 23, 2027	0.15	30,000,000
July 23, 2027	0.15	1,000,320
November 3, 2027	0.15	4,408,440
December 1, 2027	0.15	520,090
		106,131,263

10. Stock Options

	Number of Options	Weighted average exercise price
Balance, December 31, 2024	12,386,694	\$ 0.33
Granted (a)	2,085,000	0.01
Exercised (c)	(180,000)	0.20
Balance, March 31, 2025	14,291,694	\$ 0.31
Balance, December 31, 2025 and March 31, 2026	14,266,694	\$ 0.14

a) On January 22, 2025, the Company granted 2,085,000 stock options to various officers, directors and consultants of the Company. The stock options granted have an exercise price of \$0.275 and an expiry date of January 22, 2030. 1,815,000 of these stock options will vest immediately. The remaining 270,000 stock options will vest 50% immediately with the remaining 50% fully vested on January 22, 2026. The fair value of the stock options were \$579,602 and was estimated on the date of grant using the Black-Scholes model with the following assumptions: expected volatility of 237.81%, risk-free interest rate of 3.02% and an average expected life of 5 years.

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Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

10. Stock Options (continued)

The Company has recognized an expense of \$19,555 for options vesting period during the three months ended March 31, 2026 (three months ended March 31, 2025 - \$547,550), which is included in stock-based compensation expense on the consolidated statements of loss and comprehensive loss. The following summarizes the stock options outstanding as at March 31, 2026:

	Number of Options #	Exercise Price \$	Weighted Average remaining life (years)
February 28, 2027	1,433,694	0.17	0.92
December 29, 2028	2,205,000	0.07	2.75
October 31, 2029	3,710,000	0.10	3.59
January 22, 2030	2,085,000	0.28	3.82
July 23, 2030	3,870,000	0.13	4.32
December 11, 2030	963,000	0.10	4.70
	14,266,694		3.50

As at March 31, 2026, there were 13,726,694 exercisable options with a weighted average exercise price of \$0.14.

11. Finance Expense

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Finance expenses:		
Financial expenses	82,081	1,210
Accretion expense (Note 7(a))	5,635	110,720
Interest expense (Note 7(a))	54,247	54,247
Total	141,963	166,177

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Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

12. Commitments and contingencies

Commitments

Clinical Trial Costs

In 2026, and continuing into 2027, these costs will primarily relate to analytical and trial planning and initiation activities.

Contingencies

In the ordinary course of operating, the Company may from time to time be subject to various claims or possible claims. Management believes that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain, and management's view of these matters may change in the future.

13. Related Party Transactions

Related party transactions are conducted on the terms and conditions agreed to by the related parties. It is the Company's policy to conduct all transactions and settle all balances with related parties on market terms and conditions.

The following includes all compensation to a consultant and key management personnel:

The Company recorded share-based compensation expense for the three months ended March 31, 2026 of \$9,446 (three months ended March 31, 2025 - \$527,214) to a consultant, current management and directors of the Company.

For the three months ended March 31, 2026, the Company incurred \$49,500 (three months ended March 31, 2025 - \$49,500) to Mr. Thomas Smeenck, CEO, for consulting services. As at March 31, 2026, Mr. Smeenck was owed \$9,256 (December 31, 2025 - \$54,631) and this amount was included in accounts payable and accrued liabilities.

For the three months ended March 31, 2026, the Company incurred \$50,000 (three months ended March 31, 2025 - \$50,000) to a consultant of the Company. As at March 31, 2026, they were owed \$87,324 (December 31, 2025 - \$136,153) and this amount was included in accounts payable and accrued liabilities.

For the three months ended March 31, 2026, the Company incurred \$15,245 (three months ended March 31, 2025 - \$33,248) to Marrelli Support Services Inc., a company which the CFO is related to. As at March 31, 2026, the Company owed \$2,675 (December 31, 2025 - \$2,675) to Marrelli Support Services Inc. for accounting fees, and this amount was included in accounts payable and accrued liabilities.

Please refer to note 7 for convertible debentures that is with a related party.

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Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2026 and 2025 (Expressed in Canadian Dollars) (Unaudited)

14. Financial Instruments

Our financial instruments consist of cash, subscriptions receivables and accounts payable and accrued liabilities and debentures. As at March 31, 2026, there are no significant differences between the carrying values of these amounts and their estimated market values.

Financial risk management

The Company's financial risk management policies are established to identify and analyze the risks faced by the Company, to set acceptable risk tolerance limits and controls, and to monitor risks and adherence to limits. The financial risk management policies and systems are reviewed regularly to ensure they remain consistent with the objectives and risk tolerance acceptable to the Company and current market trends and conditions. The Company, through its training and management standards and procedures, aims to uphold a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- liquidity risk; and
- market risk (including foreign currency and interest rate risk).

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company are exposed to interest rate risk through our cash. The Company mitigate this risk by investment of excess cash resources in investment grade vehicles while matching maturities with our operational requirements. The Company structures the large majority of its secured borrowing arrangements to maintain a fixed interest rate spread. This fixed interest rate spread is achieved by match funding transactions on both a duration and interest rate basis.

Fluctuations in market rates of interest do not have a significant impact on our results of operations due to the short term to maturity of the debt held.

The Company mitigates our exposure to interest rate risk on loans as the Company utilizes fixed rates.

Currency risk

Currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In the normal course of our operations. The Company are exposed to currency risk from the purchase of goods and services in the United States. In addition, the Company are exposed to currency risk to the extent cash is held in foreign currencies. The impact of a 10% increase in the value of the U.S. dollar against the Canadian dollar would have increased our net loss for the three months ended March 31, 2026 by approximately \$15,754 (three months ended March 31, 2025 - \$60,696).

The Company mitigate our foreign exchange risk by maintaining sufficient foreign currencies, through the purchase of foreign currencies, when cash allows, to settle our foreign accounts payable and future commitments.

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Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)

14. Financial instruments (continued)

Currency risk (continued)

Balances in foreign currencies at March 31, 2026 are as follows:

	US Dollar
Cash	\$ 64,529
Accounts payable and accrued liabilities	(222,068)
Balance, March 31, 2026	\$ (157,539)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manage liquidity risk through the management of our capital structure. Accounts payable and accrued liabilities, convertible debentures, loans payable all were due within a year.