Hemostemix Inc.

(Formerly TheraVitae Inc.)

Interim Condensed Consolidated Financial Statements

Third Quarter Ended September 30, 2014

(Expressed in Canadian Dollars)
(Unaudited)

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For the three months and nine months ended September 30, 2014 and 2013
(Unaudited)

Notice Pursuant to National Instrument 51-102 – Continuous Disclosure Obligations

The accompanying interim condensed consolidated financial statements of Hemostemix Inc. (formerly TheraVitae Inc.) have been prepared by and are the responsibility of management. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for review of interim financial statements.

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

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	**$ 1,154,133**	$ 351,199
HST receivable	**200,945**	170,520
Other receivables and prepaid expenses *(note 3)*	**96,955**	99,959
	1,452,033	621,678
Other receivable and prepaid expenses - non-current *(note 3)*	**76,330**	44,115
Equipment, net *(note 4)*	**142,046**	151,054
Intangible assets, net *(note 5)*	**1**	1
	$ 1,670,410	$ 816,848
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(notes 6 and 11)*	**$ 246,265**	$ 198,194
Income taxes payable	**41,140**	44,789
	287,405	242,983
Equity		
Share capital *(note 7)*	**17,461,354**	14,528,867
Contributed surplus *(note 9)*	**516,880**	424,060
Accumulated deficit	**(16,595,229)**	(14,379,062)
	1,383,005	573,865
	$ 1,670,410	$ 816,848

Going concern *(note 1)*

Commitments and contingencies *(notes 3 and 10)*

Subsequent events *(note 12)*

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

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
for the three and nine month periods ended September 30
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Sept 30, 2014	Three Months Sept 30, 2013	**Nine Months Sept 30, 2014**	Nine Months Sept 30, 2013
Expenses				
Research and development salaries and related benefits	**$ 142,854**	$ 19,600	**$ 450,894**	$ 186,453
Research and development consulting fees	**99,987**	-	**542,179**	-
Research and development expenses	**64,209**	-	**98,238**	-
Consultant fees	**128,663**	154,179	**301,311**	228,403
Lease and office maintenance	**103,593**	45,370	**210,508**	176,762
Professional fees	**186,740**	116,522	**382,193**	206,590
Travel expenses	**7,485**	6,678	**30,130**	6,678
Depreciation	**7,353**	6,815	**22,655**	19,642
Foreign exchange loss	**47,542**	23,549	**62,267**	3,755
Finance expenses (income)	**707**	(19,553)	**7,167**	(17,538)
Stock-based compensation	**92,820**	-	**92,820**	424,060
Net loss for the period before taxes	**(881,953)**	(353,160)	**(2,200,362)**	(1,234,805)
Income tax expense	**6,247**	2,540	**15,805**	3,509
Net loss for the period	**$ (888,200)**	$ (355,700)	**$ (2,216,167)**	$ (1,238,314)
Basic and diluted loss per share	**$ (0.002)**	$ (0.001)	**$ (0.004)**	$ (0.003)
Weighted average number of common shares outstanding - Basic and diluted	**570,021,193**	492,736,199	**542,138,068**	471,510,810

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

Interim Condensed Consolidated Statements of Changes in Equity
as at September 30, 2014 and December 31, 2013
(Expressed in Canadian Dollars)
(Unaudited)

	Number of shares	Share capital	Shares subscribed	Contributed surplus	Accumulated Deficit	Total
Balance, December 31, 2012	431,113,582	$ 12,752,463	$ 447,097	$ -	$ (12,838,563)	$ 360,997
Proceeds from private placement	66,024,611	1,363,922	(263,463)	-	-	1,100,459
Issuance of share options	-	-	-	424,060	-	424,060
Net loss for the period	-	-	-	-	(1,238,314)	(1,238,314)
Balance, September 30, 2013	497,138,193	14,116,385	183,634	424,060	(14,076,877)	647,202
Proceeds from private placement	8,444,000	412,482	(183,634)	-	-	228,848
Shares issued as finder's fees	320,000	-	-	-	-	-
Net loss for the period	-	-	-	-	(302,185)	(302,185)
Balance, December 31, 2013	505,902,193	14,528,867	-	424,060	(14,379,062)	573,865
Proceeds from private placement	64,055,000	2,932,487	-	-	-	2,932,487
Shares issued as finder's fees	64,000	-	-	-	-	-
Issuance of share options	-	-	-	92,820	-	92,820
Net loss for the period	-	-	-	-	(2,216,167)	(2,216,167)
Balance, September 30, 2014	**570,021,193**	**$ 17,461,354**	**$ -**	**$ 516,880**	**$ (16,595,229)**	**$ 1,383,005**

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

Interim Condensed Consolidated Statements of Cash Flows
for the nine month periods ended September 30
(Expressed in Canadian Dollars)
(Unaudited)

	2014	2013
Cash flow from operating activities		
Net loss for the period	**$ (2,216,167)**	$ (1,238,314)
Items not affecting cash:		
Stock-based compensation	**92,820**	424,060
Depreciation on fixed assets	**22,655**	19,642
Non-cash working capital items:		
Other accounts receivable and prepaid expenses	**(79,211)**	15,646
HST receivable	**(30,425)**	(30,830)
Accounts payable and accrued liabilities	**48,071**	(43,876)
Income taxes payable	**(3,649)**	3,509
	(2,165,906)	(850,163)
Cash flow from investing activity		
Purchase of equipment	**(13,647)**	(2,205)
	(13,647)	(2,205)
Cash flow from financing activities		
Proceeds from issuance of common shares, net	**2,932,487**	1,100,459
Receivable from broker	**50,000**	-
Proceeds received on shares subscribed	-	-
	2,982,487	1,100,459
Increase (decrease) in cash and cash equivalents	**802,934**	248,091
Cash and cash equivalents, beginning of period	**351,199**	179,718
Cash and cash equivalents, end of period	**$ 1,154,133**	$ 427,809

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

1. Nature of the Company and Going Concern

On November 24, 2014, Technical Ventures RX Corp. ("Technical") closed its qualifying transaction with TheraVitae Inc. ("TheraVitae") by way of plan of arrangement (the "Arrangement") pursuant to which the parties amalgamated to form a new entity under the *Business Corporations Act (*Alberta*)* called Hemostemix Inc. ("Hemostemix" or the "Company") (see Subsequent Events Note 12).

Hemostemix, formerly TheraVitae, was originally incorporated under the Canada Business Corporation Act and the Company's corporate office is 475 Glengarry Avenue, Toronto, Ontario, Canada. The Company is a biotechnology company whose principal business is to develop, manufacture and commercialize adult stem cell therapies to treat a variety of diseases.

In November 1, 2007, the Company established Kwalata Trading Ltd., a wholly-owned subsidiary, incorporated under the laws of Cyprus, the owner of the intellectual properties ("IP").

In June 20, 2011, the Company established Hemostemix Ltd., a wholly-owned subsidiary, incorporated under the laws of Israel.

The Company has negative cash flow from operating activities of $2,165,906 during the nine month period ended September 30, 2014 and accumulated deficit as of September 30, 2014 was $16,595,229.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The interim condensed consolidated financial statements do not include any adjustments to reflect any events since September 30, 2014 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.

The Company's ability to continue to operate is dependent upon additional financial support. On November 10, 2014, prior to the completion of the Arrangement, Technical completed a brokered private placement and short form offering for gross proceeds of $3,500,000, providing the Company working capital through this fiscal year and into next fiscal year.

These unaudited interim condensed consolidated financial statements were approved by the Company's Board of Directors on December 1st, 2014.

2. Summary of Significant Accounting Policies

Statement of compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), on a basis consistent with policies disclosed in the Company's annual audited consolidated financial statements for the fiscal year ended December 31, 2013. The interim condensed consolidated financial statements do not include all of the disclosures included in the annual audited consolidated financial statements and the notes thereto included in the Company's annual report for the year ended December 31, 2013.

2. Summary of Significant Accounting Policies - continued

Basis of presentation

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

These interim condensed consolidated financial statements reflect the consolidated financial position as at September 30, 2014 and December 31, 2013, and the results of operations for the three and nine month periods ended September 30, 2014 and 2013 of TheraVitae Inc. and its wholly-owned subsidiaries Kwalata Trading Ltd., and Hemostemix Ltd.

Consolidated financial statements

The interim condensed consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved where the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

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

(Expressed in Canadian dollars)

3. Other Receivables and Prepaid Expenses

	September 30, 2014	December 31, 2013
V.A.T. receivable	**$ 4,765**	$ 20,430
Prepaid insurance, rent and security deposit	**98,757**	73,644
Receivable from broker	**-**	50,000
Prepaid research and development expenses	**69,763**	-
	173,285	144,074
Less: long-term portion for deposit	**76,330**	44,115
	$ 96,955	$ 99,959

At December 31, 2013, the receivable from broker represents a cheque for share issuance proceeds held by the broker that was cashed subsequent to the year end.

During the nine months period ended September 30, 2014, the Company entered into an agreement with Criterium, Inc. ("Criterium"), a multi-national clinical research organization which specializes in administering and managing clinical trials. Criterium will manage most aspects of the Company's phase 2 clinical trials. The value of the agreement with Criterium, Inc. is approximately US$3.1 million and will be allocated over the 30 month span of the trial as the expenses are incurred. As at September 30, 2014, the Company has paid Criterium $755,942. Of the initial payment, US$150,000 (CAD$168,000) was required as a deposit for clinical research activities that is maintained and replenished as costs are incurred by Criterium. To date the deposit has been reduced by expenses of US$87,712 (CAD$98,238) resulting in a net balance of US$62,288 (CAD$69,762), as adjusted to the period end spot rate). The Company will be required from time to time to replenish the deposit to US$150,000.

Under the terms of the agreement, the Company is committed to the following payment schedule:

2014	$ 272,000
2015	400,000
	$ 672,000

(Expressed in Canadian dollars)

4. Equipment

	Computers and equipment	Office furniture and equipment	Total
Cost			
As at December 31, 2012	$ 9,543	$ 145,777	$ 155,320
Additions	277	50,320	50,597
As at December 31, 2013	$ 9,820	$ 196,097	$ 205,917
Additions	2,154	11,493	13,647
As at September 30, 2014	**$ 11,974**	**$ 207,590**	**$ 219,564**
Accumulated depreciation			
As at December 31, 2012	$ 5,987	$ 23,222	$ 29,209
Depreciation	1,809	23,845	25,654
As at December 31, 2013	$ 7,796	$ 47,067	$ 54,863
Depreciation	1,203	21,452	22,655
As at September 30, 2014	**$ 8,999**	**$ 68,519**	**$ 77,518**
Net book value			
As at December 31, 2013	$ 2,024	$ 149,030	$ 151,054
As at September 30, 2014	**$ 2,975**	**$ 139,071**	**$ 142,046**

Depreciation on equipment of $22,655 and $19,642 has been recorded in the interim condensed consolidated statements of loss and comprehensive loss for the nine month periods ended September 30, 2014 and 2013, respectively. For the three month periods ended September 30, 2014 and 2013 the Company recognized depreciation of $7,353 and $6,815, respectively in the interim condensed consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

5. Intangible Assets

Proprietary Protection **-** The Company's intellectual property is protected by several issued patents grouped together in five patent families. Patent applications continue to be prosecuted in additional countries**.**

The five patent families are:

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

6. Accounts Payable and Accrued Expenses

		Sept 30, 2014		December 31, 2013
Accounts payable	**$**	**143,922**	$	112,396
Employees and payroll accruals		**73,050**		35,040
Accrued expenses		**29,293**		50,758
	$	**246,265**	$	198,194

(Expressed in Canadian dollars)

7. Share Capital

The Company is authorized to issue an unlimited number of shares designated as Common Shares and an unlimited number of shares designated as Preferred Shares. The Company has not issued any preferred shares.

Common Shares

	Number of Shares	Amount
Balance, December 31, 2013	**505,902,193**	**$ 14,528,867**
Share issuances (i)	64,055,000	2,932,487
Shares issued as finder's fees (i)	64,000	-
Balance, September 30, 2014	**570,021,193**	**$ 17,461,354**

(i) During the nine months period ended September 30, 2014, the Company entered into share subscription agreements according to which the Company issued 64,055,000 Common Shares, at a price per share of $0.05, for gross proceeds of $3,202,750 less share issuance costs of $270,263. The Company issued an additional 64,000 Common Shares and 64,000 warrants as a finders' fee to the broker.

(Expressed in Canadian dollars)

8. Warrants

During the nine months period ended September 30, 2014, the Company granted 4,988,400 finders' warrants in connection with certain private placements. The outstanding number of warrants as at September 30, 2014 and December 31, 2013 is 9,091,580 and 4,023,180, respectively, with a weighted average exercise price of $0.22.

Warrants	Exercise Price		Expiry Date
1,034,701	$	0.900	(i)
422,662	$	0.900	(i)
266,666	$	0.900	(i)
70,971	$	0.750	(ii)
33,813	$	0.750	(ii)
21,333	$	0.750	(ii)
281,820	$	1.000	(i)
10,500	$	1.000	(i)
1,685,194	$	0.050	(iii)
115,520	$	0.050	(iii)
80,000	$	0.050	(iii)
64,000	$	0.050	(iii)
1,903,600	$	0.050	(iii)
747,200	$	0.050	(iii)
936,000	$	0.050	(iii)
385,600	$	0.050	(iii)
1,032,000	$	0.050	(iii)
9,091,580			

(i) The warrants to purchase common shares of the Company expire one (1) year from the closing of a liquidity event in which the common shares of the Company begin trading on a public market.

(ii) These warrants entitle the holders thereof to acquire units of the Company at $0.75 per unit. Each unit comprised of one common shares of the Company and one warrant exercisable at $0.90 expire one (1) year from the closing of a liquidity event in which the common shares of the Company begin trading on a public market.

(iii) The warrants to purchase common shares of the Company expire five (5) years from the closing of a liquidity event in which the common shares of the Company begin trading on a public market.

(Expressed in Canadian dollars)

9. Share Options

The outstanding number of options is 56,800,000 as at September 30, 2014 and 46,600,000 at December 31, 2013. At September 30, 2014 the options had with a weighted average exercise price of $0.01 [2013 - $0.01] and a weighted average remaining life of 4.62 years [2013 – 4.3 years].

On August 28, 2014, 10,200,000 share options with an exercise price of $0.01 per share were granted to certain directors and officers and vested immediately. The fair value was determined to be $92,820 using the using the Black-Scholes model for pricing share options and the following assumptions were used: risk free rate of return of 1.06%, expected share volatility of 150%, dividend yield of 0% and expected life of 5 years. As a result, $92,820 was expensed with a corresponding credit to contributed surplus.

On April 17, 2013 46,600,000 share options with an exercise price of $0.01 were granted to Directors, Officers and Consultants of the Company on April 17, 2013 and vested immediately. The fair value was determined to be $424,060 using the Black-Scholes model for pricing share options and the following assumptions were used: risk free rate of return of 1.06%, expected share volatility of 150%, dividend yield of 0% and expected life of 5 years. As a result, $424,060 was expensed with a corresponding credit to contributed surplus.

10. Commitments and Contingencies

Lease commitments

Hemostemix Ltd. and the facility's lessor signed a laboratory and office lease agreement. The last leasing period under this agreement expired in September 2014, and a new lease agreement was signed expiring in 2017.

The minimum lease commitments are as follows:

2014	$	31,063
2015		124,251
2016		124,251
2017		93,188
		372,753

Contingencies

On May 2013 a former CEO and Director of the Company, sued the Company due to unpaid compensation fees in an amount of $138,000, with regards to 2008 until 2010 years. On August 16, 2013 the Company filed a statement of defence to the lawsuit. The management does not consider it probable that it will have to make any cash outflow therefore the Company did not record a provision.

11. Related Party Balances and 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. In management's opinion, these transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

The following transactions with related parties and key management personnel are included in the accompanying interim condensed consolidated financial statements:

The Company incurred $224,997 and $188,545 in consulting fees to directors during the nine month period ended September 30, 2014 and 2013, respectively. The Company incurred $75,999 and $69,999 in consulting fees to directors during the three month period ended September 30, 2014 and 2013, respectively. As at September 30, 2014, the Company has $38,213 in accounts payable and accrued liabilities owing to these directors (December 31, 2013 - $66,670).

During the year ended December 31, 2013, the Company issued 26,768,791 ordinary shares to two of the Company's major shareholders, one of whom is a director and officer and the other holds more than 10% of the outstanding ordinary shares to repay the shareholders debt. The shares were issued at a deemed price of $0.01 for an aggregate debt settlement of $267,688.

12. Subsequent Events

1. November 10, 2014 - Qualifying Transaction, Technical Offering and Private Placement

Technical Ventures RX Corp. ("Technical") closed its qualifying transaction with TheraVitae Inc. ("TVI") by way of plan of arrangement (the "Arrangement"), pursuant to which the parties amalgamated to form a new entity on November 10, 2014 under the *Business Corporations Act* (Alberta) called "Hemostemix Inc." ("Amalco"). The Arrangement constitutes the qualifying transaction (the "Qualifying Transaction") of Technical in accordance with the requirements of the TSX Venture Exchange (the "TSX Venture") Policy 2.4 - *Capital Pool Companies*. The Arrangement is described in the amended and restated joint information circular of Technical and TVI dated September 30, 2014 (the "Joint Circular"). Prior to completing the Arrangement, Technical received conditional acceptance of the Qualifying Transaction from the TSX Venture on October 2, 2014. Additionally, a final order of the Court of Queen's Bench of Alberta approving the Arrangement was obtained on November 7, 2014. The completion of the Qualifying Transaction is subject to the final acceptance of the TSX Venture which Amalco expects to receive shortly. Trading will remain halted pending submission of satisfactory post-closing documentation to the TSX Venture. A further news release will be issued once a trading date has been determined.

Immediately prior to the completion of the Arrangement, Technical completed a brokered private placement and short form offering under TSX Venture Policy 4.6 *Public Offering by Short Form Offering Document* for combined aggregate gross proceeds of $3,500,000 (collectively referred to as the "Financings"). The Financings consisted of the issuance of 35,000,000 Technical Common Shares at an issue price of $0.10 per Common Share. Immediately after closing the Financings, all outstanding Technical securities were exchanged for securities of Amalco pursuant to the terms of the Arrangement on a one for five basis, resulting in the issuance of 7,000,000 Amalco Common Shares at $0.50. Additionally, all outstanding TVI securities were exchanged for Amalco securities on a one for ten basis under the Arrangement.

Wolverton Securities Ltd. (the "Agent"), together with its selling group members, received, pursuant to the Financings, agent's options to purchase an aggregate of 560,000 Amalco Common Shares (the "Agent's Options") at a price of $0.50 after giving effect to the Arrangement. The Agent's Options are exercisable until November 10, 2019. The Agent also received a commission equal to 8% of the gross proceeds under the Financings, which was payable in cash and via the issuance of 120,000 Amalco Common Shares at a deemed issue price of $0.50. In addition, Technical paid the Agent a corporate finance fee, which was partially paid via the issuance of 50,000 Amalco Common Shares at a deemed price of $0.50.

Under the short form offering, Technical issued 1,453,500 Common Shares (or 290,700 Amalco Common Shares) to shareholders who are considered designated "Designated Hold Purchasers" (as such term is defined in National Instrument 45-102) and whose Amalco Common Shares are subject to a four month hold period ending March 11, 2015. In addition, 320,000 of the Agent's Options and 32,000 Common Shares issued to the Agent as partial payment of commissions under the short form offering are subject to a hold period ending March 11, 2015.

After giving effect to the Arrangement and the Financings, Amalco will have 65,172,119 Common Shares outstanding and the new trading symbol will be "HEM".

Upon completion of the Arrangement, all outstanding stock options of TVI and Technical were exchanged for 5,780,000 Amalco stock options pursuant to the Arrangement, with 5,680,000 Amalco stock options being exercisable at $0.10 and 100,000 Amalco stock options being exercisable at $0.50. All Amalco stock options expire five years from the date of grant. The granting of the Amalco stock options remains subject to all necessary regulatory approvals.

2. November 26, 2014 – Final Approval of Qualifying Transaction and Resumption of Trading

Hemostemix Inc. (TSX-V: "HEM") announces the TSX Venture Exchange has issued a final Exchange Bulletin approving Technical Ventures RX Corp.’s previously announced qualifying transaction with TheraVitae Inc., pursuant to which the parties amalgamated to form a new entity under the Business Corporations Act (Alberta) called “Hemostemix Inc.”. Trading in the common shares of the Corporation on the Exchange is expected to resume at the opening of markets on or around Thursday, November 27, 2014 under the symbol “HEM”.