

CHITOGENX CLOSES \$3.9 MILLION NON-BROKERED PRIVATE PLACEMENT OFFERING

- **\$2.1 million of debentures eliminated following reinvestment into Offering**
- **Proceeds to be used to advance ongoing R&D programs and pursue a development/strategic partnership agreement**

MONTREAL, May 5, 2023 /CNW/ - [ChitogenX](#) Inc., (CSE: **CHGX**, OTCQB: **CHNXF**) ("**ChitogenX**" or the "**Company**"), a clinical-stage regenerative medicine company, today announced the closing of its amended non-brokered private placement offering of units for \$3.86 million (the "**Offering**"), including \$1.8 million of Insiders' subscriptions.

Holders of debentures that matured on May 1, 2023, also opted to reinvest \$2.1 million of principal and accrued interest into the Private Placement.

"We appreciate the continued support from our existing investors and insiders and welcome new investors", said Philippe Deschamps, President and CEO. "We are excited by the prospects of our regenerative medicine development programs and are actively pursuing a strategic partnership to support the continued development and our ongoing rotator cuff tear repair phase I/II U.S clinical trial. We hope to capitalise on the market interest for novel regenerative medicine delivery scaffolds, as demonstrated by the many strategic transactions that took place over the last year" continued Deschamps.

The Company issued 25,708,988 Units at a price of \$0.15 per Unit for total gross proceeds of \$3,856,348.20. Each Unit consist of one class A share of the Company (each, a "**Share**") and one share purchase warrant of the Company (each whole share purchase warrant, a "**Warrant**"). Each Warrant entitles the holder to purchase one Share of the Company (each, a "**Warrant Share**") at a price of \$0.35 per Warrant Share for a period of 36 months from closing (the "**Closing Date**"), subject to adjustment in certain events. If, at any time following the Closing Date, the daily volume weighted average trading price of the Shares on the Canadian Securities Exchange is greater than \$0.50 per Share for the preceding 10 consecutive trading days, the Company shall have the right to accelerate the expiry date of the Warrants to a date that is at least 30 days following the date of such notice to holders of Warrants.

The Company will use the net proceeds of the Offering to:

1. Complete development/strategic partnership agreement for leveraging the Company's proprietary platform for regenerative medicine applications,
2. Complete enrollment for the Rotator Cuff Tear Repair U.S. phase I/II clinical trial program,
3. Complete proof of concept work for Meniscus repair, and
4. Leverage Polytechnique partnership and recent non-dilutive grants to drive proof of concept in additional high-potential indications.

The Common Shares and the Warrants are subject to a statutory 4-month hold period under the applicable securities laws and in such case the certificates evidencing the Shares and the Warrants will bear a legend to that effect, as applicable.

Participation of insiders of the Company in the Private Placement constitutes a "related party transaction" as defined under Regulation 61-101 respecting Protection of Minority Security Holders

in Special Transactions ("Regulation 61-101"). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Regulation 61-101 on the basis that participation in the Private Placement by insiders will not exceed 25% of the fair market value of the Company's market capitalization and also because the Company's Common Shares trade only on the Canadian Securities Exchange. A material change report was not filed in connection with the participation of the insiders at least 21 days in advance of the closing of the Private Placement, which the Company deemed reasonable in the circumstances, in order to close the transaction as soon as practicable to enable it to use the funds.

About ChitogenX Inc.

ChitogenX Inc. is a clinical stage regenerative medicine company dedicated to the development of novel therapeutic tissue repair technologies to improve tissue healing. The Company is committed to the clinical development of its proprietary ORTHO-R technology platform, a muco-adhesive CHITOSAN based biopolymer matrix, specifically designed to deliver biologics such as platelet-rich plasma (PRP) or bone marrow aspirate concentrate (BMAC), to enhance healing in various Regenerative Medicine Applications.


Other formulations are being developed to leverage the technology's performance characteristics such as tissue adhesion, pliability, and ability to deliver biologics or therapeutics to various tissues damaged by trauma or disease. Further information about ChitogenX is available on the Company's website at www.chitogenx.com and on SEDAR at www.sedar.com.

Forward-Looking Statements

This news release may contain certain forward-looking statements regarding the Company's expectations for future events. Such expectations are based on certain assumptions that are founded on currently available information. If these assumptions prove incorrect, actual results may differ materially from those contemplated by the forward-looking statements contained in this press release. Factors that could cause actual results to differ include, amongst others, uncertainty as to the final result and other risks. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by security laws.

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For further information: Contacts: Company, Philippe Deschamps, President and Chief Executive Officer, 614-596-2597, deschamps@chitogenx.com; or Luc Mainville, Senior Vice-president and Chief Financial Officer, 514-693-8854, mainville@chitogenx.com; Investors, Frederic Dumais, Director Communications and Investor Relations, (514) 261-4735, dumais@chitogenx.com

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