



**PRESS RELEASE
FOR IMMEDIATE DISCLOSURE**

CHITOGENX ANNOUNCES NEW \$2.5 MILLION NON-BROKERED PRIVATE PLACEMENT OFFERING AND BALANCE SHEET RESTRUCTURING

- **New Private Placement replaces previously announced private placement pursuant to listed issuer exemption.**
- **Balance sheet restructuring eliminates \$5.6 million of short-term maturities through extension and partial conversion of debentures**
- **Total commitments received to date exceed \$1.54 million, including \$0.7 million from Insiders**
- **New Investors represent more than 50% of commitments to date**

Montreal, QC, April 4, 2023 – [ChitogenX Inc.](#) (CSE: **CHGX**, OTCQB: **CHNXF**) ("**ChitogenX**" or the "**Company**"), a clinical-stage orthobiologics company focused on the development of novel soft tissue repair regenerative technologies, today announced a new non-brokered private placement offering (the "**New Offering**") of 12,500,000 units (the "**Units**") of the Company at a price of \$0.20 per Unit (the "**Issue Price**") for gross proceeds of \$2.5 million. Total insider commitments in the New Offering currently stand at \$0.7 million.

The previously announced private placement pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**") has been terminated.

Private Placement to give effect to the balance sheet restructuring by eliminating \$5.6 million worth of short-term liabilities, including 1) Extension of the \$3 million secured debenture maturity date from November 27, 2023, to February 1, 2025 in exchange for a new \$0.35 per share conversion option, as well as 2) Conversion of \$3.0 million worth of debentures maturing May 1, 2023 including accrued interest.

"We welcome new investors to our Company and are appreciative of the continued support demonstrated by insiders and investors who have committed further capital to this financing or supported the balance sheet restructuring as we continue to make significant progress with patients' enrollment in our U.S. Phase I/II Rotator Cuff tear repair Trial", said Philippe Deschamps, ChitogenX's Chief Executive Officer. "This financing combined with the recently secured \$3.5 million grant in partnership with Polytechnique Montréal as well as anticipated savings for conducting and completing our Phase I/II trial, will facilitate achieving important milestones over the coming year".



Each \$0.20 Unit of the New Offering will 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 will entitle the holder to purchase one Share of the Company (each, a **"Warrant Share"**) at a price of \$0.35 per Warrant Share at any time on or before the date which is 60 months after the closing date of the New Offering (the **"Closing Date"**), subject to adjustment in certain events. If, at any time following the date that is 6 months 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 New Offering to complete enrollment of the rotator cuff tear repair U.S. phase I/II clinical trial program, and for working capital and general corporate purposes.

The Common Shares and the Warrants will be 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.

The New Offering is scheduled to close on or about April 14, 2023, and is subject to certain conditions including, but not limited to, receipt of all necessary approvals including satisfaction of listing conditions of the Canadian Securities Exchange.

The Units will be offered and sold by private placement (i) in Canada to "accredited investors" within the meaning of Regulation 45-106 respecting Prospectus Exemptions and other exempt purchasers in each province of Canada (ii) in the United States on a private placement basis only under Regulation D, Rule 144A or other available U.S. registration exemptions and (iii) jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction and the Corporation does not thereafter become subject to continuous disclosure obligations in such jurisdictions.

Although the New Offering is non-brokered, the Company will pay finders' fees of 8% of the gross proceeds raised from accredited investors introduced to the Company by a finder, payable in cash; and finders' warrants equal to 8% of the number of Units issued to accredited investors introduced to the Company by a finder, each finder's warrant entitling the holder to purchase one share at a purchase price of \$0.35 for a period of 24 months from the date of issuance of the finders' warrants.

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.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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