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SQI Diagnostics Inc. Announces Fully Subscribed Private Placement Financing

Toronto, Ontario, December 12, 2017 – SQI Diagnostics Inc. ("SQI" or the "Company") (TSX-V: SQD; OTCQX: SQIDF), a life sciences and diagnostics company that develops and commercializes proprietary technologies and products for advanced microarray diagnostics ("**SQI**" or the "**Company**"), today announced that it has received private placement subscription agreements for units of the Company ("**Units**") for aggregate gross proceeds of approximately $4,500,000, inclusive of insider participation of approximately $3,000,000.

The terms of the previously announced non-brokered private placement (the "**Private Placement**") are for the purchase of up to 30,000,000 Units at $0.15 per Unit. Each Unit will consist of one common share and one common share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one common share at a price of $0.20 for a period of five years from the date of issuance, subject to accelerated expiry in certain circumstances.

The Private Placement is subject to all necessary regulatory and stock exchange approvals and is expected to close shortly after the annual and special meeting of SQI shareholders scheduled for December 18, 2017. A notice of meeting and information circular in respect of the annual and special meeting has been mailed to shareholders of SQI and is available on SEDAR at www.sedar.com.

The issuances of Units to insiders pursuant to the Private Placement will be considered related party transactions within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), and three insiders of the Company may each become a "control person" pursuant to the policies of the TSX Venture Exchange (the "**TSXV**"). To comply with the minority approval requirements of the TSXV and MI 61-101, the issuances of Units to insiders and the creation of new control persons will be subject to the approval of the shareholders of SQI by ordinary resolution, excluding the votes attaching to the common shares held by the three insiders participating in the financing and any of their related parties. SQI intends to rely on an exemption from the formal valuation requirement in section 5.5(g) of MI 61-101 in respect of such insider participation on the basis of financial hardship, further details of which will be provided in the Company's material change report to be filed on SEDAR.

The securities being issued pursuant to the Private Placement will be subject to a hold period expiring four months and one day from the date of issuance in accordance with applicable Canadian securities law. In connection with the Private Placement of Units to non-insiders, the Company may pay a finder's fee in cash, subject to regulatory and stock exchange approval.

The securities described herein have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or any state securities laws and accordingly may not be offered or sold within the United States or to "U.S. persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act ("**U.S. Persons**"), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities to, or for the account of benefit of, persons in the United States or U.S. Persons.

About SQI Diagnostics

SQI Diagnostics is a life sciences and diagnostics company that develops and commercializes proprietary technologies and products for advanced microarray diagnostics. The Company's proprietary microarray tests and fully-automated systems are designed to simplify protein and antibody testing workflow, increase throughput, reduce costs and provide excellent data quality. For more information, please visit www.sqidiagnostics.com.

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FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements, including, without limitation, statements containing the words "will", "may", "expects", "intends", "anticipates" and other similar expressions which constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements reflect the Company's current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. The forward-looking statements in this news release include without limitation, statements with respect to the Private Placement and the use of proceeds of the Private Placement. These forward-looking statements involve risks and uncertainties including, but not limited to risks related to the failure to obtain necessary regulatory and stock exchange approvals, general economic and market segment conditions, and international risk and currency exchange risks, agreements and future agreements to sell our products, the success of our Diagnostic Tools and Services business and our intent to build near-term revenue streams from this business, the successful regulatory filing and receipt of regulatory approvals for our later stage quantitative diagnostic kits, the acceleration of our revenue ramp, general economic and market segment conditions, competitor activity, technology changes and regulatory approvals. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks and uncertainties and other risks detailed from time-to-time in the Company's ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. Actual results, events, and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.