

SQL Diagnostics Inc. Closes First Tranche of Private Placement with Insider Participation

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TORONTO, Nov. 1, 2021 /CNW/ - **SQL Diagnostics Inc. ("SQL" or the "Company")** (TSXV: SQD) (OTCQB: SQIDF), a life sciences and diagnostics company that develops and commercializes proprietary technologies and products for advanced microarray diagnostics, today announced that it has completed the first tranche of a non-brokered private placement (the "**Private Placement**") of 23,726,316 units ("**Units**") of the Company at a price of \$0.19 per Unit for gross proceeds of approximately \$4.5 million. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of five years from the date of issuance.

Insiders of the Company, who are control persons, subscribed for an aggregate of 21,052,631 Units for gross proceeds of approximately \$4 million under the Private Placement. The issuances of Units to such insiders pursuant to the Private Placement are considered related party transactions within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company relied on exemptions from the formal valuation and minority approval requirements in sections 5.5(g) and 5.7(1)(e) of MI 61-101 in respect of such insider participation on the basis of financial hardship. Further details will be provided in the Company's material change report to be filed on SEDAR.

The Company intends to complete the second tranche of the Private Placement on or about November 4, 2021 by issuing up to an additional 7,852,631 Units at a price of \$0.19 per Unit, for additional gross proceeds of up to approximately \$1.5 million.

The Private Placement is subject to all necessary regulatory and stock exchange approvals. The securities issued pursuant to the first tranche of the Private Placement will be subject to a hold period expiring March 2, 2022, in accordance with applicable Canadian securities law.

SQL intends to use the net proceeds of the Private Placement to fund the Company's product commercialization and manufacturing programs, sales and marketing and for general working capital purposes.

The Company did not file a material change report in respect of the related party transaction less than 21 days prior to the closing of the Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Private Placement in an expeditious manner.

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 SQL Diagnostics

SQL 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.

Contacts:

Morlan Reddock
Chief Financial Officer
437-235-6563
mreddock@sqidiagnostics.com

Andrew Morris
Chief Executive Officer
416-903-1955
amorris@sqidiagnostics.com

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, the timing and size of any subsequent tranches under the Private Placement and the use of proceeds of the Private Placement. These forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, but are not limited to, risks related to the failure to obtain necessary regulator and stock exchange approvals for the Private Placement, general economic and market factors, competition, the development and commercialization of the Company's diagnostics tests, the effect of the global pandemic and consequent economic disruption, and the factors detailed in the Company's ongoing filings with the securities regulatory authorities, available at www.sedar.com.

Although the forward-looking statements contained herein are based on what we consider to be reasonable assumptions based on information currently available to us, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. 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

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SOURCE SQI Diagnostics Inc.

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For further information: Morlan Reddock, Chief Financial Officer, 437-235-6563, mreddock@sqidiagnostics.com; Andrew Morris, Chief Executive Officer, 416-903-1955, amorris@sqidiagnostics.com

CO: SQI Diagnostics Inc.

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