

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

SQI Diagnostics Inc. (the “**Issuer**” or the “**Company**”)
36 Meteor Dr.
Toronto, Ontario
M9W 1A4

Item 2. Date of Material Change

November 1, 2021 and November 8, 2021

Item 3. News Release

A news release announcing the material change was issued on November 1, 2021 and November 8, 2021 through the services of Canada Newswire and subsequently filed on SEDAR.

Item 4. Summary of Material Change

On November 1, 2021, the Issuer completed the first tranche (the “**First Tranche**”) of a non-brokered private placement (the “**Private Placement**”) of 23,726,316 units (“**Units**”) of the Company priced at \$0.19 per Unit for gross proceeds of approximately \$4.5 million, subject to regulatory and stock exchange approvals. On November 8, 2021, the Issuer completed the second and final tranche (the “**Second Tranche**”) of the Private Placement of 3,206,579 Units of the Company priced at \$0.19 per Unit for gross proceeds of approximately \$610,000.00, subject to regulatory and stock exchange approvals. 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.

The aggregate gross proceeds raised by the Company in connection with the completion of the previously announced first tranche of the Private Placement, which closed on November 1, 2021, and the Second Tranche is approximately \$5.1 million, resulting from the issuance of a total of 26,932,895 Units.

In accordance with applicable Canadian securities law, the securities issued pursuant to the First Tranche and Second Tranche are subject to a four month and one day hold period expiring March 2, 2022 and March 9, 2022 respectively. In connection with the Private Placement, the Company paid a finder's fee of \$14,298.00 in cash.

Item 5.1. Full Description of Material Change

On November 1, 2021, the Issuer completed the First Tranche the Private Placement of 23,726,316 Units of the Company priced at \$0.19 per Unit for gross proceeds of approximately \$4.5 million, subject to regulatory and stock exchange approvals. On November 8, 2021, the Issuer completed the Second Tranche of the Private Placement of 3,206,579 Units of the Company priced at \$0.19 per Unit for gross proceeds of approximately \$610,000.00, subject to regulatory and stock exchange approvals. 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.

The aggregate gross proceeds raised by the Company in connection with the completion of the previously announced first tranche of the Private Placement, which closed on November 1, 2021, and the Second Tranche is approximately \$5.1 million, resulting from the issuance of a total of 26,932,895 Units.

In accordance with applicable Canadian securities law, the securities issued pursuant to the First Tranche and Second Tranche are subject to a four month and one day hold period expiring March 2, 2022 and March 9, 2022 respectively. In connection with the Private Placement, the Company paid a finder's fee of \$14,298.00 in cash.

SQI 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 press releases of the Company announcing the completion of the First Tranche and Second Tranche are attached as Appendix A and Appendix B.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information, contact:
Andrew Morris, Chief Executive Officer
(416) 903-1955

Item 9. Date of Report

November 11, 2021

Appendix A

(see attached)

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

/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES OF AMERICA/

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:

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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

accuracy of this release.

SOURCE SQI Diagnostics Inc.

View original content: <http://www.newswire.ca/en/releases/archive/November2021/01/c6988.html>

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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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Appendix B

(see attached)

SQL Diagnostics Inc. Closes Second and Final Tranche of Private Placement

/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES OF AMERICA/

TORONTO, Nov. 8, 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 second and final tranche of a non-brokered private placement (the "**Private Placement**") of 3,206,579 units ("**Units**") of the Company at a price of \$0.19 per Unit for gross proceeds of approximately \$610,000. 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.

The aggregate gross proceeds raised by the Company in connection with the completion of the previously announced first tranche of the Private Placement, which closed on November 1, 2021, and the second tranche of the Private Placement is approximately \$5.1 million, resulting from the issuance of a total of 26,932,895 Units.

The Private Placement is subject to all necessary regulatory and stock exchange approvals. The securities issued pursuant to the second tranche of the Private Placement will be subject to a hold period expiring March 9, 2022, in accordance with applicable Canadian securities law. In connection with the Private Placement, the Company paid a finder's fee of \$7,648 in cash.

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

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.sqldiagnostics.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 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.

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SOURCE SQI Diagnostics Inc.

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