Xagenic Announces $6 Million Genome Canada Funded Project in Partnership with University of Toronto

Toronto, ON (October 15, 2014) – Xagenic Inc., a molecular diagnostics company developing the first lab-free molecular diagnostic platform with a 20 minute time-to-result, announced today that its project in partnership with the University of Toronto was successful in securing funding from Genome Canada under the Genomic Applications Partnership Program (GAPP).

The project titled "Development of Low Cost Testing Chip and Device for Hepatitis C Testing" was approved with funding up to a maximum of $5,999,865 over three years. The Ontario Ministry of Research and Innovation is supporting the project with a grant matching the Genome Canada contribution.

"This is a tremendous opportunity for us to leverage the viral assay development and electrochemical detection expertise in the labs of Dr. Shana Kelley and Dr. Edward Sargent at the University of Toronto to significantly advance our own research programs on several fronts," commented Dr. Graham D. Jack, Senior Director of Research and Development at Xagenic. "Under this joint program, we anticipate development of a new lower-cost substrate chip, which will significantly bring down the total cost of our in-cartridge AuRA™ detection technology.

Dr. Jack continued, "We are also looking forward to the development of a new hepatitis C virus genotyping assay, which will be useful in managing HCV patients by guiding therapy decisions. Diagnostic testing for HCV has been suboptimal to date as screening has relied on antibody-based tests with poor sensitivity. Any positive test results need to be confirmed using nucleic acid based methods, assuming reference lab testing is available. This new assay on the Xagenic platform will make rapid front-line nucleic acid testing for HCV possible in any clinical setting."

"We are pleased to be a part of this Genome Canada funded project, as the outputs will help us with our long-term objectives of lowering our cost of goods sold, building out our menu of infectious disease tests and adapting our detection technology to address the needs of additional market segments," added Ihor Boszko, Xagenic's Vice President of Business Development. "We expect the project will generate novel intellectual property that will provide Xagenic with a greater competitive advantage in the diagnostic testing market."

According to the World Health Organization, 130-150 million people globally are infected with the hepatitis C virus, with approximately 500,000 people dying each year from the resultant liver disease. Nearly 80% of infected people do not exhibit symptoms and as a result, early diagnosis is rare. For those who go on to develop chronic HCV infection, diagnosis often occurs after serious liver damage has developed. Early detection through molecular screening of increased risk populations can prevent both complications and transmission of the virus. Because treatment response is genotype-dependent, determining the virus genotype(s) is important to guide treatment decisions and management of the disease.

About Xagenic Inc.
Based in Toronto, Ontario, Xagenic is a privately held molecular diagnostics company developing a fully-automated molecular diagnostic platform that will enable lab-free testing with a time-to-result of 20 minutes. The company is developing a menu of infectious disease tests that will have a positive impact on patient care and reduce health care costs. The company is supported by private investors, including Domain Associates, CTI Life Sciences Fund, the Ontario Capital Growth Corporation and BDC Capital. Xagenic recently received the Frost & Sullivan 2014 Point-of-Care Diagnostics New Product Innovation Leadership Award. For more information, please visit http://www.xagenic.com.

For more information, contact:

Xagenic Inc.
Ihor Boszko
Vice President, Business Development
ihor.boszko@xagenic.com
1 (416) 363-1999 x500