

Unaudited Condensed Interim Financial Statements of

SONA NANOTECH INC.
(Formerly “Sona Nanotech Ltd.”)

July 31, 2018

(Expressed in Canadian Dollars)

September 28, 2018

Management's Report

The accompanying unaudited condensed interim financial statements of **Sona Nanotech Inc. (formerly "Sona Nanotech Ltd.")** (the "Company") are the responsibility of management and have been reviewed and approved by the Board of Directors. The unaudited condensed interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Darren Rowles*"
Chief Executive Officer
Halifax, Canada

(signed) "*Robert Randall*"
Chief Financial Officer
Halifax, Canada

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Unaudited Condensed Interim Statements of Financial Position
As at July 31, 2018 and October 31, 2017

Expressed in Canadian dollars

	July 31, 2018	October 31, 2017
	\$	\$
Assets		
Current assets		
Cash	78,323	173,323
Amounts receivable and other (note 3)	119,091	142,506
	197,414	315,829
Capital assets (note 4)	131,502	20,316
Total assets	328,916	336,145
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	839,139	799,646
Current portion of long-term debt (note 5)	126,093	162,378
	965,232	962,024
Long-term debt (note 5)	475,980	172,246
Total liabilities	1,441,212	1,134,270
Deficiency		
Shareholders’ deficiency	(1,112,296)	(798,125)
Total liabilities and deficiency	328,916	336,145

Nature of operations and going concern (note 1)
 Commitments and contingencies (note 9)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Approved on behalf of the Board of Directors on September 28, 2018.

“Daniel Whittaker”
 Director

“James Megann”
 Director

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the three and nine-month periods ended July 31, 2018 and 2017

Expressed in Canadian dollars

	Three-month period ended July 31, 2018 \$	Three-month period ended July 31, 2017 \$	Nine-month period ended July 31, 2018 \$	Nine-month period ended July 31, 2017 \$
Expenses				
Consulting and wages	92,671	63,017	226,044	159,012
Rent and related costs (note 7)	-	3,450	11,573	9,660
Administrative costs	3,525	1,496	12,963	10,640
Depreciation expense (note 4)	7,592	1,173	19,040	2,614
Interest on long-term debt (note 5)	3,000	3,000	9,519	9,000
Accreted interest on repayable government loans (note 5)	15,000	1,381	33,376	4,141
Accreted interest on convertible loans (note 5)	-	-	-	1,586
Travel costs	20,392	5,777	57,862	10,895
Sales and marketing costs	15,605	300	28,592	2,883
Professional fees	82,963	8,968	181,873	41,334
Management services (note 7)	54,000	54,000	162,000	162,000
Research and development costs	49,104	693	94,662	3,171
	(343,852)	(143,255)	(837,504)	(416,936)
Other income				
Repayable government loans fair value adjustment	37,038	3,305	122,386	63,447
Scientific research and experimental development tax credits	-	-	1,627	45,498
	37,038	3,305	124,013	108,945
Net loss and comprehensive loss for the period	(306,814)	(139,950)	(713,491)	(307,991)
Loss per share – basic and diluted	(0.009)	(0.005)	(0.020)	(0.011)
Weighted-average number of common shares outstanding - basic and diluted	33,876,074	27,821,662	34,821,662	27,821,662

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Unaudited Condensed Interim Statements of Changes in Deficiency
For the nine-month periods ended July 31, 2018 and 2017

Expressed in Canadian dollars

	Number of Common Shares	Common Shares	Equity Portion of Convertible Loans	Deficit	Total
		\$	\$	\$	\$
Balance, November 1, 2016	27,821,662	585,500	9,214	(1,181,386)	(586,672)
Net loss and comprehensive loss for the period	-	-	-	(307,991)	(307,991)
Equity portion of convertible loans (note 5)	-	-	1,586	-	1,586
Balance, July 31, 2017	27,821,662	585,500	10,800	(1,489,377)	(893,077)
Net loss and comprehensive loss for the period	-	-	-	(142,786)	(142,786)
Shares issued pursuant to private placement (note 6)	2,600,000	260,000	-	-	260,000
Share issuance costs (note 6)	-	(22,262)	-	-	(22,262)
Balance, October 31, 2017	30,421,662	823,238	10,800	(1,632,163)	(798,125)
Net loss and comprehensive loss for the period	-	-	-	(713,491)	(713,491)
Shares issued pursuant to private placement (note 6)	4,400,000	440,000	-	-	440,000
Share issuance costs (note 6)	-	(40,680)	-	-	(40,680)
Balance, July 31, 2018	34,821,662	1,222,558	10,800	(2,345,654)	(1,112,296)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Unaudited Condensed Interim Statement of Changes in Cash Flows
For the nine-month periods ended July 31, 2018 and 2017

Expressed in Canadian dollars

	Nine-month period ended July 31, 2018	Nine-month period ended July 31, 2017
	\$	\$
Operating activities		
Net loss for the period	(713,491)	(307,991)
Changes to loss not involving cash:		
Depreciation (note 4)	19,040	2,614
Accreted interest on repayable government loans (note 5)	33,376	4,141
Interest expense (note 5)	9,519	9,000
Accreted interest on convertible loans (note 5)	-	1,586
Decrease (increase) in accounts receivable and other	23,415	(92,669)
Increase in accounts payable and accrued liabilities	39,493	275,054
Net cash used in operating activities	(588,648)	(108,265)
Financing activities		
Proceeds from long-term debt (note 5)	270,357	86,506
Repayment of long-term debt (note 5)	(45,803)	-
Proceeds received upon the completion of private placement (note 6)	440,000	-
Share issuance costs associated with private placement (note 6)	(40,680)	-
Net cash provided by financing activities	623,874	86,506
Investing activities		
Additions to fixed assets (note 4)	(130,226)	(21,991)
Decrease in cash	(95,000)	(43,750)
Cash, beginning of period	173,323	45,199
Cash, end of period	78,323	1,449

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)

Notes to the Unaudited Condensed Interim Financial Statements

Periods ended July 31, 2018

1. NATURE OF OPERATIONS AND GOING CONCERN

Sona Nanotech Inc. (formerly Sona Nanotech Ltd.) (the “Company” or “Sona”) was incorporated on January 21, 2014 under the laws of Nova Scotia and continued under the Canada Business Corporations Act on May 16, 2018. The Company is in the business of researching and developing gold nanorod products. Sona’s head office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3R7. The registered office of Sona is located at Suite 1100, 1959 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3N2.

The Company’s operations have been financed through the sale of common shares and the debt described in note 5. The Company has incurred significant operating losses since inception and has an accumulated deficit of \$2,345,654 as at July 31, 2018 (October 31, 2017 – \$1,632,163).

These unaudited condensed interim financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the nine-month period ended July 31, 2018, the Company incurred a net loss of \$713,491 (period ended October 31, 2017 - \$428,011). The Company has negative cash flow from operations. In addition to its working capital requirements, the Company must secure sufficient funding to further develop its gold nanorod products and to fund its general operating costs. Such circumstances create material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. However, there can be no assurance that these initiatives will be successful or sufficient.

The Company’s ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

During the period ended July 31, 2018, the Company entered into a definitive agreement related to the proposed acquisition of Sona by Stockport Exploration Inc. (“Stockport”). The transaction closed subsequent to the end of the period (note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim financial statements, except as discussed below.

a) Statement of compliance and basis of presentation

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Board of Directors approved these financial statements for issue on September 28, 2018.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the ten-month period ended October 31, 2017.

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Notes to the Unaudited Condensed Interim Financial Statements
Periods ended July 31, 2018

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of September 28, 2018, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company’s financial statements for the period ended October 31, 2018 could result in the restatement of these unaudited condensed interim financial statements.

These financial statements have been prepared using the same policies and methods of computation as the audited financial statements of the Company for the period ended October 31, 2017. Refer to note 2, *Significant Accounting Policies*, of the Company’s audited financial statements for the period ended October 31, 2017 for information on the accounting policies, significant accounting estimates and judgements, and new accounting standards not yet effective.

These unaudited condensed interim financial statements are presented in Canadian dollars, the Company’s functional currency, and have been prepared on the historical costs basis.

3. AMOUNTS RECEIVABLE AND OTHER

	July 31, 2018	October 31, 2017
	\$	\$
Government assistance receivable	111,310	139,374
Sales tax receivable	5,263	1,598
Prepaid expenses and other	2,518	1,534
	<u>119,091</u>	<u>142,506</u>

4. CAPITAL ASSETS

	Office Equipment	Laboratory Equipment	Total
Cost	\$	\$	\$
As at November 1, 2016	651	-	651
Additions	2,249	21,212	23,461
As at October 31, 2017	2,900	21,212	24,112
Additions	1,841	128,385	130,226
As at July 31, 2018	<u>4,741</u>	<u>149,597</u>	<u>154,338</u>
Accumulated depreciation	\$	\$	\$
As at November 1, 2016	-	-	-
Depreciation charge	390	3,406	3,796
As at October 31, 2017	390	3,406	3,796
Depreciation charge	594	18,446	19,040
As at July 31, 2018	<u>984</u>	<u>21,852</u>	<u>22,836</u>
Carrying amount	\$	\$	\$
Balance, October 31, 2017	<u>2,510</u>	<u>17,806</u>	<u>20,316</u>
Balance, July 31, 2018	<u>3,757</u>	<u>127,745</u>	<u>131,502</u>

**Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Notes to the Unaudited Condensed Interim Financial Statements
Periods ended July 31, 2018**

5. LONG-TERM DEBT

	July 31, 2018	October 31, 2017
	\$	\$
Atlantic Canada Opportunities Agency (“ACOA”) under the Business Development Program interest-free loan with a maximum contribution of \$979,476. Annual repayments are calculated between 3% - 5% of gross product revenue. As at July 31, 2018, the amount drawn down on the loans was \$622,243 (October 31, 2017 – \$229,500).	475,980	172,246
Brigus Capital Inc. (“Brigus”) loan with an interest rate of 1% per month, repayable on demand	126,093	117,093
Numus Financial Inc. (“Numus”) loan with an interest rate of prime +1% per annum, repayable on demand	-	45,285
Balance – end of period	602,073	334,624
Less: current portion	(126,093)	(162,378)
Non-current portion	475,980	172,246

	July 31, 2018	October 31, 2017
	\$	\$
Balance – beginning of period	334,624	158,749
Borrowings, net of \$122,386 (year-ended October 31, 2017 - \$41,431) allocated to other income	270,357	158,070
Loan repayment	(45,803)	(41)
Equity portion of convertible loan	-	(1,586)
Accreted interest on repayable government loans	33,376	5,521
Accreted interest on convertible loans	-	1,586
Accrued interest	9,519	12,325
Balance – end of period	602,073	334,624
Less: current portion	(126,093)	(162,378)
Non-current portion	475,980	172,246

The Brigus loan is convertible into common shares of the Company at a deemed value of \$0.10 per share for all outstanding principal and interest at Brigus’ discretion. The loan has been initially recorded at a value of \$149,200, and the equity component of the loan has been valued at \$10,800. The initial recorded value of the loan, in the amount of \$149,200, has been accreted to the face value of the loan over the initial term of six (6) months. As at November 26, 2016 the loan was fully accreted. In preparing the allocation of value between the loan and the equity component of the loan, the Company estimated an interest rate of 15% for a similar debt instrument with no conversion option.

The minimum annual principal repayments of long-term debt over the next five years, excluding the ACOA loan repayments which are not determinable at this time, are as follows:

Year ending October 31, 2018	\$100,000
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**Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Notes to the Unaudited Condensed Interim Financial Statements
Periods ended July 31, 2018**

6. SHARE CAPITAL

a) Common shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	<u>Number of shares</u>	<u>Amount</u>
	#	\$
Outstanding, November 1, 2016	27,821,662	585,500
Shares issued pursuant to private placement	2,600,000	260,000
Share issuance costs	-	(22,262)
Outstanding, October 31, 2017	30,421,662	823,238
Shares issued pursuant to private placement	4,400,000	440,000
Share issuance costs	-	(40,680)
Outstanding, July 31, 2018	<u>34,821,662</u>	<u>1,222,558</u>

Private Placement Financings

During the period ended October 31, 2017, the Company completed non-brokered private placement financings for aggregate gross proceeds of \$260,000. The Company issued 2,600,000 common shares at a price of \$0.10 per share. Total costs associated with the private placement, consisting of finders fees paid to a related party and professional fees, were \$22,262.

During the period ended July 31, 2018, the Company completed non-brokered private placement financings for aggregate gross proceeds of \$440,000. The Company issued 4,400,000 common shares at a price of \$0.10 per share. Total costs associated with the private placement, consisting of finders fees paid to a related party and professional fees, were \$40,680.

7. RELATED PARTY TRANSACTIONS

During the nine-month period ended July 31, 2018, the Company paid Darren Rowles, operating under the name Arbiter Consulting, consulting fees of \$25,000 (period ended October 31, 2017 – \$12,500).

During the nine-month period ended July 31, 2018, the Company incurred costs for management services from a related party, Numus Financial Inc. (“Numus”), a company controlled by certain directors of Sona, in the amount of \$162,000 (period ended October 31, 2017 – \$180,000) and incurred rent and office costs from Numus in the amount of \$nil (period ended October 31, 2017 – \$12,150), incurred administration fees of \$456 (period ended October 31, 2017 - \$nil), received a loan in the amount of \$nil (period ended October 31, 2017 – \$44,959), accrued interest on the loan of \$519 (period ended October 31, 2017 – \$325) and made loan repayments of \$45,803. As at July 31, 2018, the amount owing to Numus was \$490,595 (October 31, 2017 – \$589,669).

During the nine-month period ended July 31, 2018 and the ten month period ended October 31, 2017, Numus Capital Corp. (“Numus Capital”), an exempt market dealer controlled by certain directors of Sona, assisted the Company in securing subscribers in the private placements completed by the Company. The Company incurred Numus Capital finders' fees of 8.0%, or \$35,200, during the nine-month period ended July 31, 2018 (October 31, 2017 – 8%, or \$20,800). As at July 31, 2018, the amount owing to Numus Capital was \$nil (October 31, 2017 – \$10,400).

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)

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Periods ended July 31, 2018

As at July 31, 2018 and October 31, 2017, the Company had a loan outstanding from Brigus Capital Inc. (“Brigus”), a company controlled by a director of Sona. During the nine-month period ended July 31, 2018, the Company accrued interest of \$9,000 (period ended October 31, 2017 – \$10,000). As at July 31, 2018, the amount owing to Brigus was \$126,093 (October 31, 2017 – \$117,094).

8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders.

b) Fair Values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the statement of financial position for cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values based on the immediate or short-term maturities of these financial instruments.

c) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

d) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with a reputable bank in Canada. The long-term credit rating of these banks, as determined by Standard and Poor’s, was A+.

e) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. Refer to note 1 for further details related to the ability of the Company to continue as a going concern.

The Company is currently pursuing financing alternatives and completes a private placement financing of \$2.0 million subsequent to the end of the period. See note 10 for details. There can be no assurance that additional

**Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)
Notes to the Unaudited Condensed Interim Financial Statements
Periods ended July 31, 2018**

future financings will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditures.

Accounts payables and accrued liabilities are paid in the normal course of business generally according to their terms.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company’s financial liabilities as at July 31, 2018, excluding the ACOA loan repayments which are not determinable at this time, are as follows :

	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	839,139	-	-	-	839,139
Loan payable	126,093	-	-	-	126,093
	<u>965,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>965,232</u>

f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is not exposed to material currency risk on its cash, accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity’s functional currency.

g) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

An immaterial amount of interest rate exposure exists in respect of cash balances and the long-term debt on the statement of financial position. The majority of the loans are at a nil or fixed interest rate and the interest on the cash balances is insignificant. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

h) Fair Value Measurements Recognized in the Statement of Financial Position

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At July 31, 2018, the Company had no financial instruments that were measured and recognized on the statement of financial position at fair value. In addition, there were no transfers between levels during the period.

Sona Nanotech Inc. (formerly “Sona Nanotech Ltd.”)

Notes to the Unaudited Condensed Interim Financial Statements

Periods ended July 31, 2018

9. COMMITMENTS AND CONTINGENCIES

As at July 31, 2018, the Company has a management services agreement with Numus for the provision of management services at a fee of \$18,000 per month, continuing until both parties mutually agree to terminate.

The Company has employment agreements with the Chief Executive Officer (“CEO”) which provide that, should a change in control event occur, as defined in the employment agreements, the CEO will receive lump sum payments equal to six (6) months of his then current base salary during the first two years of employment and 12 months of his then current base salary following the two year anniversary of the agreement.

10. TRANSACTION WITH STOCKPORT EXPLORATION INC.

Amalgamation

On March 22, 2018, Sona Nanotech Ltd. (“Sona”) entered into a definitive agreement with Stockport Exploration Inc. (“Stockport”) relating to the proposed acquisition of Sona by Stockport, a public company incorporated and domiciled in Canada. The transaction with Stockport will be effected through an amalgamation between Sona and Stockport (the “Transaction”).

Pursuant to the definitive agreement with Stockport, Sona will complete an amalgamation with Stockport to form Sona Nanotech Inc. (“Amalco”) and thereafter complete the issuance to Stockport shareholders of one common share of Amalco for every four common shares of Stockport held. Shareholders of the Sona will be issued one common share of Amalco in exchange for every 1.5802 common shares of Sona held. Subject to the acceptance of the appropriate exchange, the amalgamation would result in the issuance of approximately 27,036,238 common shares of Amalco to the securityholders of Sona and 22,163,282 common shares of Amalco to the securityholders of Stockport. The transaction was subject to regulatory and shareholder approvals prior to completion. Subsequent to the end of the period, the proposed transaction was approved by shareholders, received regulatory approval, and was completed on August 8, 2018. Upon completion of the transaction with Stockport, Sona changed its name to Sona Nanotech Inc.

In addition, Stockport’s Board of Directors, upon approval by written consents of a majority of the minority shareholders of Stockport, made the decision to voluntarily delist from the TSXV and list on the Canadian Securities Exchange (“CSE”). The Company received conditional listing approval from the CSE on July 27, 2018. The CSE listing is subject to the completion of the transaction with the Company and approval of the CSE for listing. Stockport’s common shares were voluntarily delisted from the TSXV on August 7, 2018. The Company submitted its listing application to the CSE on September 28, 2018.

Financing

On September 28, 2018, the Company completed a private placement financing at \$0.25 per common share to raise gross proceeds of \$2.0 million, by the issuance of 8,000,000 common shares (the “Offering”). In connection with the Offering, the Company incurred \$150,000 in finder’s fees and issued finder’s share purchase warrants to a private company controlled by a director of Sona. The share purchase warrants give the right to purchase up to 600,000 common shares at an exercise price of \$0.25 per share until September 27, 2020.