

EARLY WARNING REPORT
Form 62-103F1

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common Shares of Sona Nanotech Inc. (“Sona” or the “Issuer”)
2001-1969 Upper Water Street
Halifax, NS B3J 3R7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The transaction that triggered the requirement to file this report was an acquisition of 678,500 common shares of the Issuer by Wade Dawe (the “Acquiror”) through his 100% owned holding company, Kelligrew Inc., at a price of \$0.26 per share. The acquisition was completed on the open market (Canadian Securities Exchange).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Wade Dawe (the “Acquiror”)
c/o 2001-1969 Upper Water Street
Halifax, NS B3J 3R7

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On January 10, 2019, the Acquiror acquired ownership of 678,500 shares (the “Shares”) of Sona Nanotech Inc. (“Sona” or the “Issuer”) at an issue price of \$0.26 per share. The acquisition brings the total number of common shares held or controlled by the Acquiror in the Issuer to 4,877,120, or 9.1% of the Issuer’s total outstanding common shares on a non-diluted basis and 11.3% on a partially-diluted basis.

After giving effect to the purchase of common shares noted above, the Acquiror is deemed to exercise direction and control over 4,877,120 Common Shares, 360,000 warrants, 137,500 common share purchase options, and holds other convertible securities in the Issuer for 781,384 common shares. These holdings represent approximately 9.1% and 11.3% of the issued and outstanding common shares of the Issuer on a non-diluted and partially-diluted basis (assuming exercise of all warrants, share purchase options and convertible securities held by the Acquiror), respectively.

2.3 State the names of any joint actors.

Included in the holdings described in paragraph 2.2 are common shares held by Kelligrew Inc. and Brigus Capital Inc., which are companies owned 100% by the Acquiror. Also included are common shares held by Numus Financial Inc., which is a company owned 60% by the Acquiror. The warrants are held by Numus Capital Corp, a company indirectly owned 60% by the Acquiror, and the convertible securities described in 2.2 are held by Kelligrew Inc., a company owned 100% by the Acquiror.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

After giving effect to the purchase of 678,500 common shares noted above, the Acquiror is deemed to exercise direction and control over 4,877,120 Common Shares, 360,000 warrants, 137,500 common share purchase options, and holds other convertible securities for 781,384 common shares, which represents approximately 9.1% and 11.3% of the issued and outstanding Common Shares on a non-diluted and partially-diluted basis, respectively.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See 2.3. Included in the holdings described in paragraph 3.1 above are common shares held by Kelligrew Inc. and Brigus Capital Inc., which are companies owned 100% by the Acquiror. Also included are common shares held by Numus Financial Inc., which is a company owned 60% by the Acquiror. The warrants are held by Numus Capital Corp, a company indirectly owned 60% by the Acquiror, and the convertible securities are held by Kelligrew Inc., a company owned 100% by the Acquiror.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

See 3.1. Numus Financial Inc. and Numus Capital Corp. are controlled 60% by the Acquiror. The remaining 40% holder controls 240,000 warrants of Sona.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of**

securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

On January 10, 2019, the Acquiror purchased 678,500 common shares of the Issuer indirectly through Kelligrew Inc., a company 100% owned by the Acquiror for total consideration of \$176,410 (\$0.26 per share).

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable. The common shares were purchased on the open market.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror effected the transaction for investment purposes. The Acquiror may, depending on market and other conditions, increase or decrease his beneficial ownership, control or direction over the common shares, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

January 14, 2019

Date

s. Wade Dawe

Signature

Wade Dawe

Name