

Sona Announces Debt Settlements with Creditors

Halifax, Nova Scotia--(Newsfile Corp. - July 16, 2019) - **Sona Nanotech Inc.** (CSE: SONA) ("**Sona**" or the "**Company**") has arranged a debt settlement of \$797,953 in amounts owed to certain non-arm's length creditors and included in accounts payable to related parties in the financial statements of Sona (the "**Debts**"). The Debts will be settled in full by the issuance to these creditors of an aggregate of 3,199,812 common shares at a deemed price of \$0.25 per share. The Company also arranged a debt conversion of \$137,093 in debt owed to an arm's length creditor as shown in the financial statements of Sona (the "**Convertible Debt**"). The Convertible Debt will be settled in full based on its conversion price of \$0.158 per share resulting in the issuance of 867,677 common shares to the debt holder.

All of these shares will be subject to resale restrictions prohibiting resale for a period of 4 months and a day from their date of issue. The Debts settlement with non-arm's length creditors was approved by the independent directors of the Company, and is exempt from the minority approval and formal valuation requirements of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, because the related party transactions are well under 25% of the Company's market capitalization and its shares are not listed on any of the specified markets under that Instrument.

ON BEHALF OF THE BOARD OF DIRECTORS

Darren Rowles, President & CEO

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