

Form 51-102F3
Material Change Report Under
National Instrument 51-102

1. Name & Address of Company

Sona Nanotech Inc.
Purdy's Wharf Tower II
1969 Upper Water Street, Suite 2001
Halifax, Nova Scotia
B3J 3R7

2. Date of Material Change

January 13, 2020

3. News Release

A news release with respect to the material change referred to in this report was issued through newswire services on January 14, 2020 and filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

Sona Nanotech Inc. (the "Company") is converting notes payable of \$95,000 and accrued interest of \$67,322 owed to certain non-arm's length note holders and notes payable of \$200,000 and accrued interest of \$141,732 owed to certain arm's length note holders. A total of 2,520,270 common shares will be issued.

5. Full Description of Material Change

The Company is converting notes payable of \$95,000 and accrued interest of \$67,322 owed to certain non-arm's length note holders and notes payable of \$200,000 and accrued interest of \$141,732 owed to certain arm's length note holders. The notes payable will be settled in full by the issuance to these note holders of an aggregate of 2,520,270 common shares at a deemed price of \$0.20 per share.

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 conversion of notes payable with non-arm's length note holders 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.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

7. Omitted Information

Not applicable

8. Executive Officer

Darren Rowles
President & Chief Executive Officer
Telephone: (902) 442-0653
Fax: (902) 491-4281

DATED at Halifax, Nova Scotia this 14th day of January, 2020.

Sona Nanotech Inc.

By:

(signed) "Darren Rowles"
President & Chief Executive Officer