Sona Nanotech Arranges Private Placement Financing and Appoints EU Agent for Application for CE Mark

Halifax, Nova Scotia--(Newsfile Corp. - December 3, 2020) - Sona Nanotech Inc. (CSE: SONA) (OTCQB: SNANF) (the "Company", "Sona") a developer of rapid, point-of-care diagnostic tests, is pleased to announce that it plans to raise up to $2,000,000 through a non-brokered private placement (the "Financing") of up to 2,000,000 units of Sona (each, a "Unit") at $1.00 per Unit. Each Unit will consist of one common share of Sona (a "Common Share") and one-half of a Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will be exercisable to purchase one additional Common Share of Sona at a price of $1.25 per Common Share for a period of 24 months from the closing date of the Financing (the "Closing Date").

Use of Proceeds

Sona intends to use the net proceeds of the Financing to produce further clinical trial data for its rapid COVID-19 antigen nasal pharyngeal test, pursue a European regulatory self-certification CE Mark declaration, and pursue further development and clinical trial validation work for its saliva-based prototype version of the test, as well as for general working capital purposes.

Completion of the Financing is subject to the satisfaction of certain conditions, including notice to the Canadian Securities Exchange. All securities issued pursuant to the Financing will be subject to a four-month and a day hold period commencing on the Closing Date, as required by applicable securities laws. Maxim Group, LLC is acting as financial advisor in connection with the Financing.

The Company also announces the appointment of Obelis S.A as its Authorized Representative in the European Union, to complete the CE Marking process for its In-Vitro Diagnostic Devices. Obelis, a regulatory and compliance consulting service provider operating since 1988, certified both under ISO 9001 & 13485, has successfully helped more than 3,000 manufacturers in over 60 countries to introduce their products to the European market. As part of the CE Marking compliance process, the Company will work with both Obelis, to compile its technical documentation to serve as evidence of conformity with the CE Marking requirements, and with Sona's contract manufacturer to complete its technology transfer batch production runs.

Sona Nanotech's rapid COVID-19 antigen test offers results within 15 minutes, using a pregnancy-type lateral flow test that is easy to administer and interpret by non-experts without the need for either laboratory equipment or a device to read its results. Underpinned by Sona Nanotech's proprietary, patent-pending, gold nanorod technology, its test showed 85% agreement to RT-PCR results in patients in an in-field Clinical Evaluation Study of 99 patients and 96% sensitivity in laboratory studies.

The Company is not making any express or implied claims that its product has the ability to eliminate, cure or contain the COVID-19 virus (or SARS-2 Coronavirus) at this time, and its product is subject to the approval of various regulatory boards, including Health Canada and the FDA.

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About Sona Nanotech Inc.

Sona Nanotech is a nanotechnology life sciences firm that has developed multiple proprietary methods for the manufacture of various types of gold nanoparticles. The principal business carried out and intended to be continued by Sona is the development and application of its proprietary technologies for use in multiplex diagnostic testing platforms that will improve performance over existing tests in the market. Sona Nanotech's gold nanorod particles are CTAB (cetyltrimethylammonium) free, eliminating the toxicity risks associated with the use of other gold nanorod technologies in medical applications. It is expected that Sona Nanotech's gold nanotechnologies may be adapted for use in applications, as a safe and effective delivery system for multiple medical treatments, subject to the approval of various regulatory boards, including Health Canada and the FDA.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This press release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements regarding Sona's plan to re-submit to the FDA and Health Canada, and to augment its application to Saudi FDA, the anticipated use of rapid COVID-19 antigen tests to reduce spread of the virus and anticipated demand for Sona's test, and the development and trials for Sona's saliva test technology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements, including the risk that Sona may not be successful in obtaining additional data necessary for regulatory approvals, or in obtaining required approvals once additional data is available, that potential customers may not adopt its products, that Sona's saliva test technology may not prove to deliver the same level of testing accuracy and sensitivity as its nasal pharyngeal swab-based test, that Sona may not be successful in identifying or reaching agreements with additional manufacturing partners, that Sona's manufacturing partners are not able to scale up manufacturing of Sona's products to the anticipated level, that raw materials may not be available in the amounts or on the schedules required to achieve Sona's manufacturing targets, that Sona may not be able to obtain further clinical data, that Sona may not re-submit to the FDA and Health Canada, and that regulatory requirements may change. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Sona disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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