Sona Nanotech Closes Unbrokered Private Placement Financing for $2.26M in Gross Proceeds

Halifax, Nova Scotia--(Newsfile Corp. - December 16, 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 has closed its non-brokered private placement that was announced on December 3, 2020 with the issuance of 2,259,200 units at $1.00 per unit.

The final amount of the offering represents an increase from the Company's previously announced intention 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 due to investor interest. Each Unit consists 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 is 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").

As previously disclosed, the Company 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.

The Company is currently working with several potential partners to secure a clinical trial. Any trial would require a sponsoring institution, a principal investigator, a study protocol, relevant medical ethics review board approval and Health Canada Investigational Testing Division approval. Separately, the Company also advises that its CE Marking process in Europe commenced with the appointment of Obelis. The Company will update the market as material developments occur.

Investor Relations Contact:

Arlen Hansen
604 684 6730
1 866 684 6730
arlen@kincommunications.com

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 planned applications and trials for its 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.

*This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available*.

Not for distribution to United States newswire services or for dissemination in the United States.

To view the source version of this press release, please visit
https://www.newsfilecorp.com/release/70419