

Sona Announces Filing of Preliminary Short Form Base Shelf Prospectus

Halifax, Nova Scotia--(Newsfile Corp. - March 23, 2021) - Sona Nanotech Inc. (CSE: SONA) (OTCQB: SNANF) (the "**Company**" or "**Sona**") a developer of rapid, point-of-care diagnostic tests, has filed a preliminary short form base shelf prospectus (the "**Shelf Prospectus**") with the securities regulatory authorities in each of the provinces and territories of Canada. The objective of filing the Shelf Prospectus is to provide the Company with the financial flexibility to take advantage of financing opportunities and favourable market conditions, if and when desired, once the filing is made final.

The Shelf Prospectus, when made final, will enable the Company to offer up to \$20,000,000 of common shares, debt securities, warrants, subscription receipts and units (collectively, the "**Securities**"), or any combination of such Securities from time to time, during the 25-month period that the Shelf Prospectus is effective. The specific terms of any offering under the Shelf Prospectus, when made final, and the intended use of the net proceeds will be established in a prospectus supplement, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering.

Unless otherwise specified in a prospectus supplement, the Company may use the net proceeds from the sale of Securities for general corporate and working capital purposes, capital expenditures and future acquisitions, among other potential uses.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

A copy of the Shelf Prospectus can be found on SEDAR at www.sedar.com.

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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.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE CANADIAN SECURITIES EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This press release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements regarding Sona's filing of a final prospectus, the effects of the Shelf Prospectus when made final, the ability of the Company to conduct an "at-the-market distribution", and the Company's planned

use of proceeds from the Securities issued under the Shelf Prospectus, when made final. 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 of the failure of the Company to obtain the necessary regulatory approvals for the Shelf Prospectus to become final on a timely basis or at all, the lack of financing opportunities or favourable market conditions once the Shelf Prospectus is made final, 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 nasopharyngeal 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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