



**NOTICE OF ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS**
(the "AGM")

and

MANAGEMENT INFORMATION CIRCULAR

Date of AGM: April 29, 2021
Time of AGM: 1:00 p.m. (Halifax local time)
Location: Sona Nanotech Inc.
1969 Upper Water Street, Suite 2001
Halifax, Nova Scotia B3J 3R7

Circular dated March 25, 2021

SONA NANOTECH INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Sona Nanotech Inc. (the “**Company**”) will be held at the office of the Company at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia on April 29, 2021 at 1:00 p.m. (Halifax local time) for the following purposes:

1. to receive the financial statements of the Company for its fiscal year ended October 31, 2020 and the report of the Auditors thereon;
2. to appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration;
3. to determine the number of directors and to elect directors;
4. to confirm and approve the Company’s incentive stock option plan; and
5. to transact such other business as may properly come before the Meeting.

Accompanying this Notice are an Information Circular and Form of Proxy.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his stead. If you are unable to attend the Meeting, or any adjournment thereof in person, please read the Notes accompanying the Form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes. The enclosed Form of Proxy is solicited by Management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

DATED this 25th day of **March**, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“David Regan”

David Regan, Chief Executive Officer

SONA NANOTECH INC.

1969 Upper Water Street, Suite 2001
Halifax, Nova Scotia, B3J 3R7

INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Sona Nanotech Inc. (the “Company”) for use at the annual meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia on April 29, 2021 at 1:00 p.m. (Halifax local time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, electronically or by telephone by directors, officers, employees or consultants of the Company. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Company (“Common Shares”) pursuant to the requirements of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“National Instrument 54-101”).

The Canadian securities regulators have adopted new rules under National Instrument 54-101, which permit the use of notice-and-access for proxy solicitation, instead of the traditional physical delivery of material. This new process provides the option to post meeting related materials, including management information circulars, as well as annual financial statements, and related management’s discussion and analysis, on a website in addition to SEDAR. Under notice-and-access, such meeting related materials will be available for viewing for up to one (1) year from the date of posting, and a paper copy of the material can be requested at any time during this period. The Company is not relying on the notice-and-access provisions of National Instrument 54-101 to send proxy related materials to registered shareholders or beneficial owners of shares in connection with the Meeting.

The Company may reimburse shareholders’ nominees or intermediaries (including brokers or their agents holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. The cost of any such solicitation will be borne by the Company. Unless otherwise stated, the information contained in this Information Circular is given as at March 25, 2021.

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder’s behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named in the enclosed proxy (the “Management Designees”) have been selected by the directors of the Company.

A Shareholder has the right to designate a person (who need not be a Shareholder), other than the Management Designees to represent the Shareholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the proxy the name of the person to be designated, and by deleting from the proxy the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxyholder and attend the Meeting, and provide instructions on how the Shareholder's shares are to be voted. The nominee should bring personal identification with them to the Meeting.

To be valid, the proxy must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy). The proxy must then be delivered to the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof. Proxies received after that time may be accepted by the Chairman of the Meeting in the Chairman's discretion, but the Chairman is under no obligation to accept late proxies.

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting their shares. A Shareholder may also revoke their proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing, including a proxy bearing a later date executed by the registered Shareholder or by their authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Company's registrar and transfer agent at the foregoing address or the head office of the Company, at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, B3J 3R7, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof. **Only registered Shareholders have the right to revoke a proxy. Non-registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective nominees to revoke the proxy on their behalf.**

VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each registered Shareholder and each proxyholder (representing a registered or unregistered Shareholder) having one vote, unless a poll is required or requested, whereupon each such Shareholder and proxyholder is entitled to one vote for each Common Share held or represented, respectively. Each Shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the proxy, the Management Designees, if named as proxyholder, will vote in favour of the matters set out therein.**

The enclosed proxy confers discretionary authority upon the Management Designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters properly come before the Meeting, then the Management Designees intend to vote in a manner which in their judgment is in the best interests of the Company.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "ordinary resolution"), unless the motion requires a "special resolution" in which case a majority of 66 2/3% of the votes cast will be required.

Impact of COVID-19

The Company is carefully monitoring the public health impact of the coronavirus (COVID-19) on a daily basis and may decide to modify the date, time or location of the Meeting depending on the situation. Due to the current COVID-19 pandemic, the Company asks that Shareholders consider the advice and instructions of public health authorities when deciding whether to attend the Meeting in person.

As of the date of this Information Circular, the government of the Province of Nova Scotia has enacted a declaration of emergency, as a result of which gatherings of more than ten people without social distancing, or 50% of the venue's capacity, up to 100 people maximum, with implemented social distancing are prohibited. Access to the Meeting will, subject to the Company's by-laws, be limited to essential personnel and registered shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. In addition, visitors to Nova Scotia from provinces other than Prince Edward Island and New Brunswick are required to self-isolate for 14 days upon arrival, and travel from the United States and other countries outside of Canada is significantly restricted, and there can be no assurance that shareholders from countries other than Canada will be permitted to enter Canada to attend the Meeting.

Depending upon the status of the pandemic at the time, the Company encourages registered shareholders and duly appointed proxyholders to not attend the Meeting in person. While we understand this could disrupt the travel plans of those who plan to attend the Meeting, our first priority is the health and safety of our communities, Shareholders, employees and other stakeholders. In the event we decide to modify the date, time or location of the Meeting, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. As always, the Company encourages Shareholders to vote their Common Shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Shareholders. Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this Notice of Meeting. To be effective, forms of proxy must be received Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof.

BENEFICIAL HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” or “beneficial” shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Beneficial Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) directly, and to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders. These securityholder materials are being set to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company’s transfer agent as provided above; or**
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Beneficial Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Beneficial Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the shares which they beneficially own. Should a Beneficial Holder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the Management Designees named in the form and insert the Beneficial Holder's name in the blank space provided. **In either case, Beneficial Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares, of which as at the date hereof, 63,624,728 common shares are issued and outstanding.

The holders of common shares of record at the close of business on the record date, set by the directors of the Company to be March 25, 2021, are entitled to vote such common shares at the Meeting on the basis of one vote for each common share held.

The By-laws of the Company provide that a quorum for the transaction of business at the Meeting is two persons present and entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company.

Those shareholders so desiring may be represented by proxy at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

TO THE KNOWLEDGE OF THE COMPANY'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

I. Financial Statements

The audited financial statements of the company for the financial year ended October 31, 2020 (the “**Financial Statements**”), together with the Auditors’ Report thereon, will be presented to the shareholders at the Meeting. Shareholders should note that in accordance with the rules of National Instrument 51-102 “Continuous Disclosure Obligations”, Shareholders will no longer automatically receive copies of financial statements unless the Financial Statements Request Form (*in the form enclosed herewith or on the Proxy*) has been completed and returned as instructed. Copies of all previously issued annual and quarterly financial statements and related Management Discussions and Analysis are available to the public on the SEDAR website at www.sedar.com.

II. Appointment of Auditors

Management proposes the appointment of Manning Elliott LLP, Chartered Accountants, as Auditors of the Company for the ensuing year and that the directors be authorized to fix their remuneration.

In the absence of instructions to the contrary the shares represented by proxy will be voted in favour of a resolution to appoint Manning Elliott LLP, Chartered Accountants, as Auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board of Directors, unless the Shareholder has specified in the Shareholder’s proxy that the Shareholder’s Common Shares are to be withheld from voting on the appointment of auditors.

III. Election of Directors

The board of directors of the Company (the “**Board**” or the “**Board of Directors**”) currently consists of five (5) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. All of the current directors of the Company will be standing for re-election. It is proposed that the number of directors for the ensuing year be fixed at five (5), subject to such increases as may be permitted by the Articles of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).

It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next Annual General and Special Meeting of the Company or until his successor is duly elected or appointed pursuant to the Articles of the Company unless his office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* or the Company’s Articles.

It is the intention of the management designees, if named as proxy, to vote for the election of the said persons to the Board of Directors, unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of directors. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following information relating to the nominees for election to the Board of Directors is based on information received by the Company from said nominees as at the date of this report:

Name, Province/State and Country of Residence⁽¹⁾	Position with the Company	Principal Occupation During the Past Five Years	Director/Officer Since	Number of Voting Securities⁽¹⁾
Harold James (Jim) Megann ⁽²⁾⁽³⁾ Nova Scotia, Canada	Director	Managing Director of Numus Financial Inc. and Ultimate Designated Person of Numus Capital Corp.	December 2019	4,131,847 ⁽⁴⁾
Michael Gross Nova Scotia, Canada	Director	Professor of Orthopaedic surgery at Dalhousie University	March 2019	660,804 ⁽⁵⁾
John Mark Lievonen Ontario, Canada	Director	Corporate Director; Former President, Sanofi Pasteur Limited	November 2020	25,000
Robert McKay ⁽²⁾⁽³⁾ Ontario, Canada	Director	Entrepreneur	August 2018	1,125,072
Daniel Whittaker ⁽²⁾⁽³⁾ Nova Scotia, Canada	Director	President and CEO, Chairman and Director of Antler Gold Inc.	August 2018	2,257,120 ⁽⁶⁾

Notes:

- (1) Information as to the Province of residence, principal occupation, and shares beneficially owned, directly or indirectly, or controlled or directed, has been furnished by the respective individuals.
- (2) Member or proposed member of the Audit Committee.
- (3) Member or proposed member of the Compensation Committee.
- (4) Of which 3,797,347 shares are held by John Street Capital Inc., a private investment company owned and controlled by Mr. Megann.
- (5) Of which 432,949 are held by private investment companies controlled by Dr. Gross.
- (6) Of which 1,902,806 shares are held by Birchpoint Holdings Inc., a private company controlled by Mr. Whittaker.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company, of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access

to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

To the knowledge of the Company, no director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

IV. Approval of Stock Option Plan

Shareholders are being asked to confirm re-approval of the Company's Stock Option Plan, as outlined under "Equity Compensation Plan Information" and accepted by the CSE upon the Company's listing with the Exchange.

The Sona Nanotech Inc. Stock Option Plan is a "rolling" or "evergreen" plan pursuant to which 10% of the issued and outstanding common shares of the Company on the date of option grant are reserved for issuance upon the exercise of stock options. For further details regarding the Stock Option Plan, see "Equity Compensation Plan Information".

Whether or not the resolution is approved, all stock options currently outstanding under the Stock Option Plan will remain in effect in accordance with their terms. If the resolution is not approved, any currently unallocated options, rights or entitlements under the Stock Option Plan will no longer be available for grant, and previously granted options will not be available for reallocation if they are cancelled prior to exercise.

Accordingly, at the Meeting, the disinterested shareholders of the Company (i.e., shareholders who are not insiders or their associates) will be asked to pass the following ordinary resolution:

"WHEREAS

- a) The Board of Directors of the Company adopted a Stock Option Plan, which reserves for issuance pursuant to stock options a maximum number of common shares of the

Company equal to 10% of the aggregate issued and outstanding common shares on the date of grant;

BE IT RESOLVED THAT:

- a) The Stock Option Plan is hereby ratified and confirmed; and
- b) Any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all documents and instruments, and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolution and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments and the taking of any such action.”

The Board of Directors has determined that the approval of the Stock Option Plan is in the best interests of the Company and its shareholders. The Board of Directors recommends that the disinterested shareholders vote FOR the adoption of the resolution set forth herein. Unless contrary instructions are indicated on the form of proxy, the persons designated in the accompanying form of proxy intend to vote FOR the approval of the Stock Option Plan.

EXECUTIVE COMPENSATION
(For the financial year ended October 31, 2020)

For purposes of this Information Circular, “named executive officer” of the Company means an individual who, at any time during the year, was:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

(each a “**Named Executive Officer**” or “**NEO**”).

Based on the foregoing definition, during the last completed financial year of the Company, there were three (3) Named Executive Officers, namely, its CEO, David Regan, its CFO and Corporate Secretary, Robert Randall, and its President and Chief Scientific Officer (“**CSO**”), Darren Rowles (former President and CEO).

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; instead, it relies mainly on discussions at the Board level with input from and upon the recommendations of, the Compensation Committee.

The Company's executive compensation program has three principal components: base salary, incentive bonus plan, and incentive stock options. The determination and administration of base salaries or incentive bonuses, or both, are discussed in greater detail below. When appropriate to do so, incentive bonuses in the form of cash payments, are designed to add a variable component of compensation, in addition to stock options, based on corporate and individual performances for Named Executive Officers, and may or may not be awarded in any financial year. The Company has no other forms of compensation for its NEOs, although payments may be made from time to time to individuals who are NEOs or companies they control, for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

The Board has to consider the current and anticipated financial position of the Company at the time of any compensation determination. The Board has attempted to keep the cash compensation paid to the Company's NEOs relatively modest, while providing long-term incentives through the granting of stock options.

The Company's executive compensation program is administered by the Board of Directors, upon the recommendations of the Compensation Committee, and is designed to provide incentives for the enhancement of shareholder value. The overall objectives are to attract and retain qualified executives critical to the success of the Company, to provide fair and competitive compensation, to align the interest of management with those of the Shareholders and to reward corporate and individual performance. The Company's compensation package has been structured in order to link shareholder return, measured by the change in the share price, with executive compensation through the use of incentive stock options as the primary element of variable compensation for its Named Executive Officers. The Company does not currently offer long-term incentive plans or pension plans to its Named Executive Officers.

The Company bases the compensation for a NEO on the years of service with the Company, responsibilities of each officer and their duties in that position. The Company also bases compensation on the performance of each officer. The Company believes that stock options can create a strong incentive to the performance of each officer and is intended to recognize extra contributions and achievements towards the goals of the Company.

The Board, when determining cash compensation payable to a NEO, takes into consideration their experience in the industry, as well as their responsibilities and duties and contributions to the Company's success. Named Executive Officers receive a base cash compensation that the Company feels is in line with that paid by similar companies in North America, subject to the Company's financial resources; however, no formal survey was completed by the Compensation Committee or the Board.

In performing its duties, the Board has considered the implications of risks associated with the Company's compensation policies and practices. At its early stage of development and considering its current compensation policies, the Company has no compensation policies or

practices that would encourage an executive officer or other individual to take inappropriate or excessive risks. An NEO or director is permitted for his or her own benefit and at his or her own financial risk, to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units or exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option-Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its executive officers based upon the recommendation of the Compensation Committee, which recommendation is based upon the Committee's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Compensation Committee.

Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the Named Executive Officers for the Company's three (3) most recently completed financial years:

Name and Principal Position	Year Ended	Salary (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
David Regan ⁽²⁾ CEO	2020	66,323	Nil	3,212,927	Nil	Nil	Nil	Nil	3,279,250
Darren Rowles ⁽³⁾ CSO and Former CEO	2020	169,130	Nil	3,158,432	Nil	Nil	Nil	Nil	3,327,562
	2019	150,000	Nil	63,936	Nil	Nil	Nil	Nil	213,936
	2018	34,891	Nil	Nil	Nil	Nil	Nil	Nil	34,891
Robert Randall ⁽⁴⁾ CFO	2020	111,463	Nil	49,046	Nil	Nil	Nil	Nil	160,509
	2019	37,576	Nil	38,362	Nil	Nil	Nil	Nil	75,938
	2018	66,000	Nil	11,443	Nil	Nil	Nil	Nil	77,443
James Megann ⁽⁵⁾ Former CEO	2018	45,000	Nil	14,666	Nil	Nil	Nil	1,815	61,481

(1) These values reflect the estimated grant date fair value of options granted that will be recognized as compensation expense by the Company for financial reporting purposes, as determined in accordance with International Financial Report Standards ("IFRS"). The estimated fair value of options is calculated using the Black-Scholes Option Pricing Model.

(2) Mr. Regan was appointed as the Company's CEO on July 7, 2020.

(3) Mr. Rowles became the President and CEO on August 8, 2018. On July 7, 2020, Mr. Rowles was appointed as the Company's President and CSO, and Mr. David Regan was appointed as the Company's CEO.

(4) The CFO services are provided by Randall Consulting Inc.

(5) Mr. Megann was the CEO of the Company until August 8, 2018 and provided services through John St. Capital Inc.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the options granted to the Named Executive Officers to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾
David Regan	300,000	0.60	March 17, 2025	879,000
	450,000	7.47	July 7, 2025	Nil
Darren Rowles	250,000	0.35	January 21, 2024	795,000
	200,000	0.60	March 17, 2025	586,000
	450,000	7.47	July 7, 2025	Nil
Robert Randall	50,000	0.20	July 11, 2021	166,500
	150,000	0.35	January 21, 2024	477,000
	90,000	0.60	March 17, 2025	263,700

- (1) The aggregate dollar value of the in-the-money unexercised vested options held at the end of the last financial year, based on the difference between the market value of the shares at the financial year end, being \$3.53, and the exercise price. This does not mean the options were exercised or that any shares were sold at these values.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to Named Executive Officers during the most recently completed financial year:

Name	Option-based Awards – Value Vested During the Year (\$) ⁽¹⁾	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
David Regan	513,000	Nil
Darren Rowles	907,625	Nil
Robert Randall	493,275	Nil

- (1) The aggregate value of the option-based awards vested during the most recent financial year is based on the difference between the Company share price on the vesting day of any options that vested during the financial year and the exercise price of the options.

Termination and Change of Control Benefits

As of July 7, 2020, Mr. David Regan became the Company's Chief Executive Officer. Pursuant to his employment contract, Mr. Regan is entitled to an annual salary of \$260,000, payable monthly. Should a change in control event occur for the Company, Mr. Regan may elect to terminate his employment with Sona, in which event the Company would be required to pay Mr. Regan a lump sum payments equal to 24 months of his then current base salary based on the value of the Company as of the date of the change of control.

As of July 7, 2020, Mr. Darren Rowles became the Company's President and Chief Scientific Officer. He had previously served as the Company's President and Chief Executive Officer since August 8, 2018. Pursuant to his employment contract as President and CSO, Mr. Rowles is entitled to an annual salary of \$210,000, payable monthly. Should a change in control event occur for the Company, Mr. Rowles may elect to terminate his employment with Sona, in which event the Company would be required to pay Mr. Rowles a lump sum payment equal to 24 months of his then current base salary as of the date of the change of control.

Effective July 1, 2012, the Company entered into a consulting agreement (the "Consulting Agreement") with Randall Consulting Inc., pursuant to which Mr. Randall serves the Company as Chief Financial Officer and Corporate Secretary. Mr. Randall is paid a daily rate for the provision of these services. The Consulting Agreement with Mr. Randall can be terminated by either the Company or Mr. Randall without penalty, subject to 30 days' notice.

Certain employees of Numus Financial Inc. ("Numus"), a private company owned by a director and a significant shareholder of the Company, provide consulting services to the Company pursuant to a Services Agreement between the Company and Numus. If the Agreement is cancelled by the Company, a break fee of eighteen months of remuneration, being \$342,000, will be payable to Numus, in addition to the service fees applicable for the 90 day notice period. If the Financial Controller services are cancelled by the Company, a break fee of six months of remuneration, being \$15,000, will be payable to Numus, in addition to the Financial Controller services fee applicable for the 90 day notice period. If the Office Services are cancelled by the Company with six months' notice to Numus, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.

In addition, Numus shall have a first right of refusal to act as an advisor on a Sona transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as a finder on all financings conducted by Sona.

Director Compensation

Director Compensation Table

The following table sets forth the value of all compensation provided to directors, not including those directors who are also Named Executive Officers, for the Company's most recently completed financial year:

Name	Fees Earned	Option-based Awards ⁽¹⁾ (\$)	All Other Compensation (\$)	Total (\$)
Michael Gross	Nil	136,238	Nil	136,238
J. Mark Lievonen ⁽²⁾	Nil	Nil	Nil	Nil
Robert McKay	Nil	Nil	Nil	Nil
James Megann ⁽³⁾	Nil	Nil	Nil	Nil
Daniel Whittaker	Nil	Nil	Nil	Nil
Wade K. Dawe ⁽⁴⁾	Nil	Nil	Nil	Nil

⁽¹⁾ The fair value of stock options granted during the last financial year is based on the Black-Scholes Option Pricing Model. The Company used the following assumptions in the model to determine the award recorded above: Dividend Yield – Nil; Expected Life – 5 years; Volatility – 150%; Risk Free Interest Rate – 0.77%.

⁽²⁾ Mr. Lievonen was appointed to the Board on November 2, 2020.

⁽³⁾ Mr. Megann resigned as a director on April 25, 2019 and was re-appointed to the Board on December 19, 2019.

⁽⁴⁾ Mr. Dawe resigned as a director on December 19, 2019.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the options granted to the directors of the Company, not including those directors who are also Named Executive Officers, to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year:

Name	Option-based Awards - Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-money Options (\$)⁽¹⁾
Michael Gross	250,000	0.60	March 17, 2025	732,500
J. Mark Lievonen⁽²⁾	Nil	Nil	Nil	Nil
Robert McKay	62,500 100,000	0.20 0.35	July 11, 2021 January 21, 2024	208,125 318,000
James Megann⁽³⁾	75,000 150,000	0.20 0.35	July 11, 2021 January 21, 2024	249,750 477,000
Daniel Whittaker	100,000	0.35	January 21, 2024	318,000

⁽¹⁾ The aggregate dollar value of the in-the-money unexercised vested options held at the end of the last financial year, based on the difference between the market value of the shares at the financial year end, being \$3.53, and the exercise price. This does not mean the options were exercised or that any shares were sold at these values.

⁽²⁾ Mr. Lievonen was appointed to the Board on November 2, 2020. On November 2, 2020, 250,000 stock options at an exercise price of \$3.36 and an expiry date of November 2, 2025 were issued to Mr. Lievonen.

⁽³⁾ Mr. Megann resigned as a director on April 25, 2019 and was re-appointed as a director on December 19, 2019.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards and non-equity incentive plan compensation paid to the directors of the Company, not including those directors who are also Named Executive Officers, during the financial year ended October 31, 2020:

Name	Option-based Awards – Value Vested During the Year (\$)⁽¹⁾	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael Gross	427,500	Nil
J. Mark Lievonen⁽²⁾	Nil	Nil
Robert McKay	226,250	Nil
James Megann⁽³⁾	339,375	Nil
Daniel Whittaker	226,250	Nil

⁽¹⁾ The aggregate value of the option based awards vested during the most recent financial year is based on the difference between the Company share price on the vesting day of any options that vested during the financial year and the exercise price of the options.

⁽²⁾ Mr. Lievonen was appointed to the Board on November 2, 2020.

⁽³⁾ Mr. Megann resigned as a director on April 25, 2019 and was re-appointed as a director on December 19, 2019.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information pertaining to the Company's equity compensation plan as at the end of the most recently completed financial year:

Current Stock Option Plan (compliant with CSE policies)

The Company's current Stock Option Plan (the "Plan") was approved by the shareholders of the Company at the Company's Annual and Special General Meeting held on April 29, 2020. The Plan was originally designed to comply with the policies of the TSX Venture Exchange (the "TSX-V") and accepted by the Canadian Securities Exchange (the "CSE") upon listing CSE and the Plan has now been updated to comply with the policies of the CSE. The Company is seeking re-approval of the Plan by the shareholders.

The purpose of the Plan is to attract and retain directors, officers, employees and consultants of, and service providers to, the Company and to align their interests with shareholders by allowing them to directly participate in an increase in per share value created for the Company's shareholders.

Eligible participants under the Plan include directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company that provides management services to the Company or its subsidiaries. Options under the Plan are typically granted in such numbers as reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company. The Plan further provides that the exercise price at which shares may be issued thereunder cannot be less than the current market price at the time of grant, being the closing sale price per share for board lots of the Company shares on the CSE on the immediately preceding day and the said exercise price of any options so granted cannot be reduced without shareholder approval. Options granted under the Plan typically have five year terms and are typically made cumulatively exercisable by the optionee as to a proportionate part of the aggregate number of shares subject to the options over specified time periods, such being dependent on the length of service and the level of responsibility the particular optionee has with the Company as at the time of the grant. In no event can the term of any option granted under the Plan exceed five years. The existing plan provides that each option is subject to a minimum 24-month vesting schedule, with each option grant vesting in increments of 25% each six-month period.

In the event of a liquidation, dissolution, re-organization, merger, consolidation, or upon sale of substantially all of the property or more than eighty (80%) of the then outstanding shares of the Company to another company, all unvested options thereupon will immediately vest and may become exercisable by the optionee prior to consummation of the event that results in the termination of the Plan. Options are assignable only in limited circumstances, such as to an optionee's corporation controlled by such optionee. Subject to compliance with applicable requirements of the CSE, optionees may elect to hold options granted to them in an incorporated entity, wholly owned by them, and such entity shall be bound by the Plan in the same manner as if the options were held by the optionee. Vested options terminate within 30 days of the termination of an optionee's employment with the Company (subject to the earlier expiry of the options in the normal course) unless such termination is a result of death, in which case termination occurs upon the expiry of 12 months from the occurrence of the optionee's death (subject to the earlier expiry of the options in the normal course). Unvested options terminate immediately upon termination of an optionee's employment with the Company.

Options issued pursuant to the Plan cannot be converted to SARs.

- a) Under the terms of the Plan, "insider" shall have the meaning ascribed to it within security regulations, and:
- b) the number of securities issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding common shares;
- c) the number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding common shares;
- d) the aggregate number of shares reserved for issuance under the Plan to any one person shall not exceed 5% of the issued and outstanding common shares;
- e) the aggregate number of shares issued to any one insider (including associates of that insider) within any 12-month period, pursuant to the exercise of options granted under the Plan, shall not exceed 5% of the issued and outstanding common shares;
- f) the number of options granted to any one consultant in any 12-month period shall not exceed 2% of the issued and outstanding common shares;
- g) the aggregate number of options granted to all persons employed to provide investor relation activities shall not exceed 2% of the issued and outstanding shares of the Corporation in any 12-month period;
- h) the Company does not have the ability to modify the Plan by adding a cashless exercise feature; and
- i) Disinterested Shareholder Approval (as defined in the Plan) must be obtained for any reduction in the exercise price of the option if the optionee is an insider of the Company at the time of the proposed amendment.

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Under the Plan, the Board has the authority to make the following amendments or revisions to the terms of the Plan without requiring the consent of shareholders or the CSE:

- a) minor amendments or changes of a "housekeeping" nature;
- b) changing the terms and conditions governing options under the Plan, including with respect to the option period unless the option is held by an insider (provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted), vesting period, exercise method and frequency and assignability of an option;

- c) a change to the termination provisions of an option issued pursuant to the Plan which does not entail an extension beyond the original expiry date, including determining that any of the provisions of the Plan concerning the effect of termination of the optionee's employment or consulting agreement or cessation of the optionee's directorship, shall not apply for any reason acceptable to the Board;
- d) changing the terms and conditions of any financial assistance which may be provided by the Company to optionees to facilitate the purchase of common shares under the Plan, or adding or removing any provisions for such financial assistance; and
- e) delegating any or all of the powers of the Board to administer the Plan to any committee of the Board or senior officer of the Company.

The following table summarizes relevant information as of October 31, 2020 with respect to compensation plans under which equity securities are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	4,337,500	\$3.35	1,789,678
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL	4,337,500	\$3.35	1,789,678

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No Insider of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, except as follows:

1. During the year ended October 31, 2020, the Company incurred costs for service fees from a related party, Numus, a company controlled by James Megann, a director of Sona, and Wade Dawe, a significant shareholder and former director

of the Company, in the amount of \$228,000 (year ended October 31, 2019 - \$228,000), controller services of \$47,500 (October 31, 2019 - \$30,000), and incurred rent and administrative costs from Numus in the amount of \$30,600 (October 31, 2019 - \$30,603). On July 16, 2019, \$153,000 of the outstanding amounts owing to Numus were settled through the issuance of shares of the Company.

2. As outlined in the services agreement dated October 31, 2018 between Numus and the Company (the "Services Agreement"), if the Services Agreement is cancelled by the Company, a break fee of eighteen months of remuneration, being \$342,000, will be payable to Numus, in addition to the service fees applicable for the 90-day notice period. If the financial controller services are cancelled by the Company, a break fee of six months of remuneration, being \$15,000, will be payable to Numus, in addition to the Financial Controller services fee applicable for the 90-day notice period. If the office services are cancelled by the Company with six months' notice to Numus, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.
3. In addition, Numus has a first right of refusal to act as an advisor on any Sona corporate transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as a finder on all financings conducted by Sona.
4. During the year ended October 31, 2020, the Company entered into a loan agreement with Numus. The loan is for up to \$600,000, has an annual interest rate of prime plus 1% and has a 2% lender fee. The loan is repayable in full, including all interest and lender fees, on demand. The Company has drawn \$510,000 on the loan, including lender fees, during the year ended October 31, 2020 and has accrued interest of \$2,461 as at October 31, 2020. Subsequent to October 31, 2020, the Company drew the remaining \$100,000 of the loan. As at October 31, 2020, the amount owing to Numus including accounts payable, the loan balance and accrued interest was \$944,344 (October 31, 2019 - \$218,550).
5. The Company issued 596,250 finder's share purchase warrants to Numus Capital Corp. ("Numus Capital"), an exempt market dealer and a wholly owned subsidiary of Numus, during the year ended October 31, 2018. The share purchase warrants were exercisable at \$0.25 per share until September 27, 2020. Numus Capital exercised the share purchase warrants prior to expiry during the year ended October 31, 2020.
6. As a result of the Amalgamation, the Company acquired convertible notes (the "Notes") of \$295,000 with accrued interest of \$146,255. Certain directors and significant shareholders of the Company contributed \$195,000 towards the Notes financing. During the year ended October 31, 2020, the Company accrued \$4,888 of related party interest (October 31, 2019 - \$29,250). The Notes and all accrued interest were converted to common shares of the Company effective December 31, 2019, resulting in the issuance of 2,520,270 Common Shares, of which 1,665,942 were issued to related parties with a value of \$333,188.
7. During the year ended October 31, 2020, the Company granted 2,965,000 stock

options under the Company's stock option plan. 1,740,000 of the stock options were issued to directors and officers of the Company. 840,000 of the options issued to related parties are exercisable into one common share at a price of \$0.60 per share, vest at the rate of 25% every six months and will expire on March 17, 2025. 900,000 of the options issued to related parties are exercisable into one common share at a price of \$7.47 per share, vest at the rate of 25% every six months and will expire on July 7, 2025.

8. As at November 1, 2017, the Company had a loan outstanding from Brigus Capital Inc. ("Brigus"), a company controlled by Wade Dawe, a significant shareholder of Sona. As of September 19, 2018, the loan was transferred to Blue Ridge Resources Inc., a non-related third party. Prior to the transfer, the Company accrued interest of \$10,634 during the year ended October 31, 2018. During the year ended October 31, 2018, Brigus earned \$1,130 in consulting fees. On July 16, 2019, \$268,203 of the outstanding amount owing was settled through the issuance of shares. As at October 31, 2020, the amount owing to Brigus was \$nil (October 31, 2019 - \$nil).
9. On July 16, 2019, \$30,000 of the outstanding amounts owing to Randall Consulting Inc. ("RCI"), a company controlled by Robert Randall, the CFO of Sona, were settled through the issuance of shares. As at October 31, 2020, the amount owing to RCI was \$131,294 (October 31, 2019 - \$43,646).
10. As at October 31, 2020, an amount of \$38,750 was also owing to James Megann, a director of the Company.
11. Sona entered an agreement pursuant to which Antler Gold Inc. ("Antler") acquired from Sona a 100% interest in certain mineral claims comprising the Crescent Lake/KM61 molybdenum-copper-silver project located in Armstrong, Ontario (the "Property"). Under the agreement, Antler acquired the Property in consideration of the assumption of all liabilities of Sona associated with the Property and the future payment to Sona of contingent consideration if Antler disposes of the Property to a third party or enters into an agreement or arrangement with a third party to otherwise monetize the Property by way of joint venture, option or other form of transaction (a "Future Transaction"). The amount of the contingent consideration payable to Sona will be equal to 50% of the consideration received by Antler in the Future Transaction (net of Antler's aggregate expenses related to the marketing, selling, upkeep and maintenance of the Property incurred between the acquisition of the Property and the date of such Future Transaction), to a maximum of \$3,000,000. Antler has also purchased two subsidiaries of Sona, 6321593 Canada Inc. and Minera Zapoteca, S.A. de C.V., that own technical and physical data on historical mineral interests in Mexico, and associated offsetting intercompany accounts, for a purchase price of \$1.00. The assets and third-party liabilities are nominal for both subsidiaries. The purchase of these subsidiaries was completed during the year ended October 31, 2019.
12. The Company has an employment agreements with the CEO and the CSO which provide that, should a change in control event occur, as defined in the employment agreements, the CEO will receive a lump sum payment of up to 24

months of his then current base salary based on the value of the Company as of the date of the change of control, and the CSO will received a lump sum payment of 24 months of his then current base salary as of the date of the change of control.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, of any person or company who has been: (a) if the solicitation is made by or on behalf of management of the Company, a director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) if the solicitation is made other than by or on behalf of management of the Company, any person or company by whom or on whose behalf, directly or indirectly, the solicitation is made; (c) any proposed nominee for election as a director of the Company; or (d) any associate or affiliate of any of the foregoing persons or companies.

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are substantially performed by the Company's directors and executive officers. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board is comprised of five (5) directors, of whom four (4) are independent for the purposes of NI 58-101. Jim Megann is not independent, since he was previously appointed within the last three years as the CEO of the Company, and Numus, a related company in which he holds an interest and is a director and senior officer, receives consulting fees and other remuneration from the Company.

Directorships

Certain of the directors and proposed directors are also directors of other reporting issuers, as follows:

Director	Other Reporting Issuers
Michael Gross	Fortune Bay Corp.
J. Mark Lievonen	Biome Grow Inc. Oncoquest Pharmaceuticals Inc.
James (Jim) Megann	Torrent Capital Ltd. Antler Gold Inc. Battery Road Capital Corp.
Daniel Whittaker	Antler Gold Inc. Battery Road Capital Corp.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation Governance

The Compensation Committee is responsible for, among other things, evaluating the performance of the Company's executive officers, determining or making recommendations with respect to the compensation of the Company's executive officers, making recommendations with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations with respect to the compensation policy for the employees of the

Company or its subsidiaries and ensuring that the Company is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The Compensation Committee is currently composed of Robert McKay, Jim Megann and Daniel Whittaker, of whom Robert McKay and Daniel Whittaker are independent directors within the meaning set out in NI 58-101, and Jim Megann is not independent, since he was previously appointed within the last three years as the CEO of the Company, and Numus, a related company in which he holds an interest and is a director and senior officer, receives management consulting fees and remuneration from the Company. All three of the members of the Compensation Committee are experienced participants in business or finance and have sat on the board of directors of other companies, charities or business associations, in addition to the Board of the Company.

The Compensation Committee does not have a pre-determined compensation plan. The Company does not engage in benchmarking practices and the process for determining executive compensation is at the discretion of the Compensation Committee and the Board. For further discussion, see “Executive Compensation – Compensation Discussion and Analysis” above.

The Compensation Committee has not engaged the services of independent compensation consultants to assist it by making recommendations to the Board with respect to director and executive officer compensation.

Other Board Committees

The Board has no other committees, other than the Audit Committee and Compensation Committee.

Assessments

The Compensation Committee annually reviews the status and contribution of members of the Board, as well as the performance of the Board and changes are recommended where appropriate. The Board’s assessment policy provides that the Board, its committees and each individual director should be regularly assessed through assessment questionnaires, a general assessment of the Board as a whole on responsibility, operations and effectiveness, an assessment of each committee against its written mandate, and an assessment of each individual director against the competencies and skills the director is expected to bring to the Board.

Diversity of Board and Management

The *Canada Business Corporations Act*, which governs the Company, has been recently amended to require the Company to disclose the number and percentage of Board seats and senior management positions occupied by women, aboriginal peoples, persons with disabilities, and members of visible minorities. The Company does not have a person in these categories who serves on the Board (0%) or in any senior management position (0%). Due to its early stage of business development, the Company does not have a written policy relating to the identification and nomination of persons in such designated groups. The Board and management of the Company believe that diversity and inclusion is important to the future

development and success of the Company, and qualified candidates in such designated groups will certainly be welcomed and considered for positions on the Board and in senior management as the Company grows

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“NI 52-110”) reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee’s Charter, composition of the Committee, and the fees paid to the external auditor. The Company provides the following disclosure with respect to its Audit Committee:

Audit Committee Charter

Purpose

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The committee will also be responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The Audit Committee charges management with developing and implementing procedures to:

- ensure internal controls are appropriately designed, implemented and monitored
- ensure reporting and disclosure of required information is complete, accurate, and timely.

The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the committee’s responsibilities as described in the mandate.

Composition of Committee

The committee will be composed of a minimum of three (3) Directors from the Company’s Board of Directors, with a majority of the members independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the Board of Directors, could reasonably interfere with the exercise of a member’s independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member to the committee is not financially literate as required, the person will be provided a three-month period in which to achieve the desired level of literacy.

If any member loses their independent status following their appointment to the committee, they will be required to resign from the committee within three months of

becoming non-independent. The Board will be required to replace the member within that three-month time frame. If it is the Chair of the Audit Committee that loses independent status, that person shall cease to be chair immediately and be replaced as chair by an existing member of the committee with the Board being asked to replace this member within the three-month time frame.

Authority

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

Responsibilities

1. The Audit Committee will recommend to the Board of Directors:
 - a. the external auditor to be nominated for purposes of preparing or issuing the auditor's report or performing other audit, review or attest services for the Company.
 - b. the Compensation of the external auditor.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian Public Accountability Board ("CPAB") and will enquire if there are any sanctions imposed by the CPAB on the external auditor. The Audit Committee will also ensure that the external auditor meets the rotation requirements for partners and staff on the Company's audit.
3. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor. The Audit Committee has delegated to the Chair of the committee the authority to pre-approve non-audit services up to an amount of \$5,000, with such pre-approved services presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De *minimis* non-audit services satisfy the pre-approval requirement provided:

- a. the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiaries to the external auditors during the fiscal year in which the services are provided;

- b. the Company or subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - c. the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit engagements.
4. The Audit Committee will review and discuss with management and the external auditors the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditors' written communications to the Committee and to management.
5. The Audit Committee reviews the Company's financial statements, MD&A as well as annual and interim earnings press releases and recommends such to the Board. This is prior to public disclosure of such information.
6. The Audit Committee ensures that adequate procedures are in place for the review of financial information extracted or derived from the Company's financial statements, contained in the Company's other public disclosures and must periodically assesses the adequacy of those procedures.
7. The Audit Committee establishes procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
8. The Audit Committee reviews and approves the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee will ensure that the policies are in compliance with legal requirements, including Multi-National Instrument 52-110.
9. The Audit Committee will, with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.
10. The Audit Committee will undertake a process to identify the principal risks of the business and ensure appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed.

Reporting

The reporting obligations of the Committee will include:

- Report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.

- Review the disclosure required in the Company's Annual Information Form as Form 52-110FI.

Meetings

The Committee will meet at least four times per year and at least once every fiscal quarter. Meetings may also be convened at the request of the external auditor.

Composition of Audit Committee

Following the election of directors pursuant to this Information Circular, the following will be members of the Audit Committee:

Robert McKay	Independent ⁽¹⁾	Financially literate ⁽²⁾
Daniel Whittaker	Independent ⁽¹⁾	Financially literate ⁽²⁾
James (Jim) Megann	Not Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Robert McKay, Director and Audit Committee Chair

Mr. McKay is an accomplished entrepreneur having successfully owned and operated businesses in the hospitality industry for over 25 years. Mr. McKay is currently the president of two private companies that have commercial and residential property interests in Northern and Southern Ontario and in Cabo San Lucas, Mexico. Mr. McKay received a Bachelor of Arts Degree (Economics) from the University of Western Ontario.

Daniel Whittaker, Director

Mr. Whittaker is the Chairman, President and Chief Executive Officer of Antler Gold Inc. He has held senior positions in the mineral industry for the last 20 years. Prior to his work with Antler Gold Inc., Mr. Whittaker was a founder of GoGold Resources Inc., a mineral exploration, development and production company. Mr. Whittaker held senior management positions with GoGold from January 2008 to January 2016 and also served as a director of GoGold from inception to January 2013. He founded Ucore Rare Metals Inc. in 2006 and served as an officer and director to March 2008.

Mr. Whittaker holds a Bachelor of Arts in Economics Degree and a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario. He also has held the Chartered Financial Analyst designation from the CFA Institute since 1995.

James (Jim) Megann, Director

Jim Megann is the Managing Director at Numus Financial Inc., a venture capital firm based in Halifax, Nova Scotia, and is the Ultimate Designated Person of Numus Capital Corp., an Exempt Market Dealer. He is the former President, CEO and director of the Company and is a current director of Antler Gold Inc., Torrent Capital Ltd. and Battery Road Capital Corp. He has also worked as a senior consultant on government and community relations programs and has more than 25 years of experience in the communications and marketing industry.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last two financial years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

Financial Year Ending October 31	Audit Fees	Audit Related Fees	Tax Fees	All other Fees
2020	\$30,000	Nil	\$3,000	Nil
2019	\$25,000	Nil	\$5,000	Nil

ADDITIONAL INFORMATION

Financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("MD&A") for the year ended October 31, 2020.

Under National Instrument 51-102, *Continuous Disclosure Obligations*, any person or company who wishes to receive financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. The Company will maintain a supplemental mailing list of persons or companies wishing to receive financial statements.

Shareholders may obtain copies of the Company's financial statements and related MD&A by contacting the Company at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, B3J 3R7, or by telephone at (902) 482-1240. Additional information relating to the Company is available on SEDAR at www.sedar.com.

GENERAL

Unless otherwise specified, all matters referred to herein for approval by the Shareholders require a simple majority of the Shareholders voting, in person or by proxy, at the Meeting. Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

DATED as of the 25th day of March, 2021

BY THE ORDER OF THE BOARD OF
DIRECTORS OF SONA NANOTECH INC.

"David Regan"

David Regan,
Chief Executive Officer