

Sona Announces Appointment of Two New Directors, Debt Settlement and Option Grant

This news release constitutes a "designated news release" for the purposes of the Company's prospectus supplement dated April 9, 2021 to its short form base prospectus dated March 31, 2021

Halifax, Nova Scotia--(Newsfile Corp. - January 5, 2022) - Sona Nanotech Inc. (CSE: SONA), (OTCQB: SNANF) (the "Company" or "Sona") is pleased to announce the appointment of Mr. Neil Fraser and Dr. Walter Strapps, Ph.D., to the Company's Board of Directors.

Mr. Fraser is president of Medtronic Canada, a subsidiary of the global healthcare technology leader. He is a member of the University of British Columbia's School of Biomedical Engineering's Industry Advisory Committee and a member of the health policy council of the C.D. Howe Institute, as well as a past chair of Medtech Canada and was a member of Health Canada's Advisory Panel on Health Innovation chaired by Dr. David Naylor. He holds an MBA from the University of Western Ontario and a B.A.Sc. in Chemical Engineering from UBC.

Dr. Strapps was most recently Chief Scientific Officer of Gemini Therapeutics, a NASDAQ-listed biotech company. Prior to that role, Dr. Strapps led Discovery at Intellia Therapeutics, the first CRISPR-Cas9 company to demonstrate in vivo gene editing. Dr. Strapps has worked in RNA therapeutics using chemically modified nucleotides at Merck & Co., Inc. He holds a Ph.D., M.Phil. and M.A. degrees from Columbia University and a BSc in Biology from McGill University.

Mr. Fraser and Dr. Strapps are replacing Mr. Dan Whittaker and Mr. Robert McKay, who have both been long serving members on the Company's Board, the former having served as chairman. "On behalf of the Company and Board of Directors, I would like to thank both Dan and Rob for their counsel and support through a transitional period for Sona, and also welcome Neil and Walter to the team," said David Regan, Sona's CEO.

The Company has also arranged a debt settlement of \$1,452,724 in amounts owed to Numus Financial Inc. ("**Numus**"). These amounts include accounts payable to Numus of \$813,895 pursuant to its services agreement with the Company dated October 31, 2018 (the "**Services Agreement**") for rent, and advisory, controller and administrative services provided to Sona, and a loan payable (with fees and accrued interest) of \$638,829 (the "**Debts**"). As part of an agreement that includes amendments to the Services Agreement to reduce service fees and provide greater flexibility to Sona, Numus will forgive \$302,400 and the remaining Debts of \$1,150,324 will be settled in full by the issuance to these creditors of an aggregate of 2,556,276 common shares at a deemed price of \$0.45 per share. All of these shares will be subject to resale restrictions prohibiting resale for a period of 4 months and a day from their date of issue.

As a result of the Services Agreement and the sharing of a common director with Sona, Numus may be deemed to be a related party of Sona for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Consequently, the Debts settlement with Numus was approved by the independent directors of the Company, and the settlement is exempt from the minority approval and formal valuation requirements of MI 61-101 because the total amount involved is under 25% of the Company's market capitalization, as determined in accordance with that Instrument.

Sona expects the settlement of the Debts and Services Agreement amendment to positively affect its

financial statements and give Sona greater operating flexibility.

The Company has granted 125,000 incentive stock options to each of Mr. Fraser and Dr. Strapps under the Company's Stock Option Plan ("Option Plan"). Each option is exercisable into one common share at a price of \$0.45 per share and will vest at the rate of 25% every six months. The options will expire five years from the date of grant. All other terms and conditions of the options are in accordance with the terms of the Company's Stock Option Plan.

ON BEHALF OF THE BOARD OF DIRECTORS

David Regan, CEO

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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'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.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This press release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements regarding the anticipate completion of the Debts settlement and its effect on Sona's financial statements and operating flexibility. 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 identifying biomedical applications for its technology with adequate market potential or at all. 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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