

Form 51-102F3
Material Change Report Under
National Instrument 51-102

1. Name & Address of Company

Sona Nanotech Inc.
Purdy's Wharf Tower II
1969 Upper Water Street, Suite 2001
Halifax, Nova Scotia
B3J 3R7

2. Date of Material Change

January 6, 2022

3. News Release

A news release with respect to the material change referred to in this report was issued through newswire services on January 5, 2022 and filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

Sona Nanotech Inc. (the "Company") announced the appointment of Mr. Neil Fraser and Dr. Walter Strapps, Ph.D., to the Company's Board of Directors.

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").

5. Full Description of Material Change

New 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.

Debt Settlement:

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.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

7. Omitted Information

Not applicable

8. Executive Officer

David Regan
President & Chief Executive Officer
Telephone: (902) 536-1932
Fax: (902) 491-4281

DATED at Halifax, Nova Scotia this 6th day of January, 2022.

Sona Nanotech Inc.

By:

(signed) "David Regan"
President & Chief Executive Officer