

Sona Nanotech Closes Acquisition of Siva Therapeutics, Plans For First Therapy Application for Colorectal Cancer

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. - March 23, 2023) - Sona Nanotech Inc. (CSE: SONA), (OTCQB: SNANF) (the "Company" or "Sona") announces that it has closed its previously announced acquisition of Siva Therapeutics, Inc. ("Siva"). Pursuant to the share exchange agreement announced on January 26, 2023, Sona has issued 15,107,457 common shares in the Company to the shareholders of Siva, which were issued at the ten-day volume weighted average price for C\$0.1824 per share, or US\$2.0 million in total. As additional consideration, Sona may issue additional Performance Shares to the shareholders of Siva in up to four instalments for up to an additional US \$6.65 million in Sona common shares, upon Siva achieving the four milestones, described in Sona's press release of January 26, 2023.

David Regan, CEO of Sona, commented, "By merging with Siva, Sona's primary goal now becomes developing Targeted Hyperthermia Therapy ("THT") to help increase the treatability of colorectal cancer and reduce the estimated 60,000 deaths that are projected to occur each year in North America. In so doing, there is a service obtainable market for THT for rectal cancer alone estimated to be US \$2.1 billion. While this won't be quick or easy to achieve, doing so could save lives and improve the quality of life for thousands for people living with cancer."

"In Sona, we found the most stable, biocompatible and scalable gold nanorods available, and the recent analysis by the National Cancer Institute's Nanotechnology Characterization Laboratory ("NCL") gave us further confidence. We look forward to using those materials in THT first for rectal cancer in a minimally invasive outpatient procedure that addresses an underserved patient segment. With success, we'd look to then address head and neck cancer, esophageal cancer, prostate cancer, and bladder cancer, each of which has characteristics possibly making them suitable for THT." - Len Pagliaro, Ph.D., President and Chief Executive Officer of Siva.

Sona will now work to progress the development of Siva's THT photo thermal therapy for cancer using Sona's uniquely biocompatible gold nanorods. The Company's preparation to develop THT for use in colorectal cancer will include engaging appropriate regulatory counsel, pursuing laboratory accreditation for the production of Sona's biocompatible gold nanorods, the engineering of the next generation of Siva's SivaLum light source and securing the further pre-clinical studies that are expected to be required to obtain regulatory clearance for human trials.

Leonard Pagliaro, Ph.D., CEO of Siva will now serve as Chief Scientific Officer of Sona and president of Sona's wholly owned US subsidiary, Siva Therapeutics, Inc. Sona's Darren Rowles will assume the new role of Head of Diagnostics for Sona and continue to drive the development of Sona's rapid concussion and bovine tuberculosis tests, both of which also rely upon Sona's biocompatible gold nanorod platform technology.

As announced on February 24, 2023, the Company completed an oversubscribed equity financing which raised \$1.1 million in gross proceeds.

March is colorectal awareness month. Cancer doesn't wait, why should you? Get screened.

<https://www.ccalliance.org/about/awareness-month>
<https://ccc.akaraisin.com/ui/MarchAwareness>

@CCAlliance
@coloncanada

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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.

About Siva Therapeutics, Inc.

Siva Therapeutics Inc is developing Targeted Hyperthermia™, a photothermal cancer therapy, which uses therapeutic heat to treat solid cancer tumors. The heat is delivered to tumors by infrared light that is absorbed by SivaRods™ gold nanorods in the tumor and re-emitted as heat. Therapeutic heat (44°C) stimulates the immune system, shrinks tumors, inactivates cancer stem cells, and increases tumor perfusion - thus enabling drugs to reach all tumor compartments more effectively. The size, shape, and surface chemistry of the nanorods target the leaky vasculature of solid tumors, and the selective thermal sensitivity of tumor tissue enables the therapy to deliver clean margins. Targeted Hyperthermia promises to be safe, effective, minimally invasive, competitive in cost, and a valuable adjunct to drug therapy and other cancer treatments. Siva's initial clinical targets include colorectal, esophageal, and pancreatic cancers.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This press release includes certain "forward-looking statements" under applicable Canadian securities legislation, including statements regarding the benefits to accrue to Sona from the Proposed Transaction. Forward-looking statements are necessarily based upon a number of assumptions or estimates 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 and Siva may not be able to successfully complete the Proposed Transaction, secure animal and human clinical studies, raise sufficient additional capital or develop the envisioned therapy. 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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