FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **SONA Nanotech Inc.** (“Sona” or “Issuer”).

Trading Symbol: SONA

Number of Outstanding Listed Securities: 53,456,519

Date: September 6th, 2019 *(for the month ended August 31st, 2019)*

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*Sona is a nano technology life sciences firm that has developed two proprietary methods for the manufacture of rod-shaped gold nanoparticles. The principal business carried out and intended to be continued by Sona is the research and development of its proprietary technology for use in multiplex diagnostic testing platforms that will improve performance over existing tests in the market.*

*Sona’s gold nanorod particles are CTAB (cetyltrimethylammonium) free, eliminating the toxicity risks associate with the use of other gold nanorod technologies in medical applications. It is expected that Sona’s gold nano technologies may be adapted for use in applications as a safe and effective delivery system for multiple medical treatments, pending the approval of various regulatory boards including Health Canada and the FDA.*

1. Provide a general overview and discussion of the activities of management.

*Sona has recently participated and presented at the Lateral flow course conducted by BioDot in Amsterdam wherein Sona’s unique gold nanorods technology received tremendous demand from new and existing client; opening new collaboration opportunities with leading companies in the diagnostics space. Sona will be participating in similar diagnostics conferences in the near future. More information can be found in Sona’s newsletter.*

*Sona Nanotech Inc. has received the prestigious Start-up Canada Innovation Award winner for the Atlantic Canada region. This is in recognition of Sona’s innovation of propitiatory gold nanorods which will power the development of next generation of diagnostic devices. Sona will now compete with other regional winners and will be judged by the National Adjudication Committee. The national winners will be announced and celebrated at the Start-up Canada Awards Grand Finale in Toronto in October 2019.*

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*Sona is offering various products and services apart from selling gold nanorods. Sona has signed a co-marketing agreement with opTricon GmbH a market leader on point of care diagnostics devices. With opTricon’s cutting edge cube reader system and our break through gold nanorod technology, Sona is envisioning to be a leader in the lateral flow assay market.*

*The “cube” is the next generation of test readers- small, compact, user-friendly, intuitive, wireless, cost effective and provides clear results in minutes. It serves as a virtual “electronic eye” to turn qualitative tests into quantitative tests.*

*Sona has entered a co-marketing agreement with Bond Digital Health solutions a leading SAAS platform development company from UK. Bond has developed an app to be connected with the opTricon cube reader system to gather, store and analyze lateral flow test data effectively. Bond’s data capture software is ideal for lateral flow assays as it turns basic qualitative tests into informative quantitative tests. This, coupled with Bond’s patient record system, provides the perfect companion app to healthcare professionals and home test consumers conducting self-monitoring.*

*Bond digital’s platform is based on ePRO (electronic patient record outcomes) and EDC (electronics data capture) that records test data using a secure cloud-based platform to collect and store results for monitoring, predictive analysis and epidemiology.*

*Sona has entered a distribution and development agreement with Expedeon for the supply of Sona’s unique gold nanorods for integration into Expedeon’s product range. Sona has also signed collaboration agreements with various companies/institutions as below:*

1. *Soma Biosciences- Sona and Soma will collaborate one to improve performance in a test in Soma’s current product range and one to improve performance in a new test Soma plans to bring to market.*
2. *Operon- the companies have agreed to work together to improve the performance of Operon’s currently in-market lateral flow tests to help further establish their market share in the infectious disease arena.*
3. *Anteo Technologies- Under the terms of the agreement Sona will supply its unique, proprietary gold nanorod technology to Anteo, which will combine it with its own proprietary AnteoBind ™ technology and various biomarkers including, but not limited to, cardiac (cTnI), sepsis (CRP) markers and HCG, the well-known fertility marker used in pregnancy tests. Anteo will supply Sona with these solutions for assessment in a lateral flow assay format as well as conducting its own in-house assessment.*
4. *Romer Labs-Sona and Romer are collaborating to improve performance in Romer’s RapidChek® SELECT™ pathogen test kits. With over 30 years of experience in this field, and labs in Austria, UK, US and Singapore, Romer Labs is a leading provider of diagnostic solutions for the agricultural, food and feed industry.*
5. *OLM Diagnostics- Sona has signed a collaboration agreement with a UK medical diagnostics company to develop new highly sensitive point of care diagnostic tests for infectious diseases. OLM Diagnostics, based in Newcastle Upon Tyne, England, manufactures, markets and distributes innovations in fungal and bacterial diagnostics to the healthcare sector.*
6. *University of Birmingham- Sona has signed a collaboration with University of Birmingham.* The goal of the project, which is being led by Zoe Pikramenou, Professor of Inorganic Chemistry and Photophysics at the University of Birmingham, is to investigate whether gold nanorods can eventually be used to target cancer cells in the human body.

*Below are the various services offered by Sona:*

1. *Conjugation service: Sona can combine its unique gold nanorods with biologicals provided by customers to offer a fully optimized and customized conjugate for their lateral flow assays, reducing customer’s development time.*
2. *Lateral flow test development: Sona is providing a tailored, modular contract development service from proof of concept through to full development and transfer to production, helping customers bring tests to market.*
3. *Lateral flow test production: Sona is partnering with world-class, third party manufacturers to manufacture pilot and validation batches through to large-scale bulk volumes to serve customer’s market needs.*
4. *R&D consultancy service: Sona has over 60 years of combined R&D experience in lateral flow assay production which is now offered as consultancy service for customer’s product development and commercialization.*
5. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*Not applicable*

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Sona Nanotech Inc. and Expedeon AG have entered into a commercial agreement to address limitations in development of complex, multiplex point-of-care (POC) lateral flow assay (LFA) diagnostic tests.

Under the terms of the agreement, Expedeon will provide gold nanoparticle, bioconjugation technologies and expertise, and Sona will offer its lateral flow assay development services, leading to immediate and ongoing revenue generation. The collaboration will enable the rapid development of more complex / multiplex immunoassays into LFAs, from proof of principle, through scale-up and transfer to manufacturing and will further expose Sona to Expedeon’s global customer base.

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*Not applicable*

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

*Not applicable*

1. Describe the acquisition of new customers or loss of customers.

*Not applicable.*

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*Not applicable.*

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

 *Not applicable.*

1. Report on any labour disputes and resolutions of those disputes if applicable.

*Not applicable.*

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*Not applicable.*

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*Not applicable.*

1. Provide details of any securities issued and options or warrants granted.

*On October 3, 2018, Sona was approved for listing of its common shares on the Canadian Securities Exchange (CSE) and commended trading under the symbol Sona on October 4, 2018.*

*Stockport Exploration Inc. voluntarily delisted its common shares from the TSX Venture Exchange on August 7, 2018 and filed an application for listing its common shares on the CSE. On August 8, 2018 pursuant to the terms of an Amalgamation, every four (4) common shares of Stockport Exploration Inc. were exchanged for one (1) common share of Sona Nanotech Inc. (the “Sona Shares”); and every 1.5802 common shares of Sona Nanotech Ltd. were exchanged for one (1) Sona share.*

*In July, 2019the Company arranged a debt settlement of $797,953 in amounts owed to certain non-arm’s length creditors and included in accounts payable to related parties in the financial statements of Sona (the “Debts”). The Debts will be settled in full by the issuance to these creditors of an aggregate of 3,199,812 common shares at a deemed price of $0.25 per share. The Company also arranged a debt conversion of $137,093 in debt owed to an arm’s length creditor as shown in the financial statements of Sona (the “Convertible Debt”). The Convertible Debt will be settled in full based on its conversion price of $0.158 per share resulting in the issuance of 867,677 common shares to the debt holder.*

*All of these shares are subject to resale restrictions prohibiting resale for a period of 4 months and a day from their date of issue. The Debts settlement with non-arms length creditors was approved by the independent directors of the Company, and is exempt from the minority approval and formal valuation requirements of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, because the related party transactions are well under 25% of the Company’s market capitalization and its shares are not listed on any of the specified markets under that Instrument.*

1. Provide details of any loans to or by Related Persons.

*Not applicable.*

1. Provide details of any changes in directors, officers or committee members.

*Sona has appointed five board of directors in the Annual General Meeting in April and they are Wade K. Dawe, Daniel Whittaker, Robert McKay, Zephaniah Mbugua and Michael Gross.*

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

*Sona is the only company in the world which has developed a unique gold nanorod technology wherein the gold nanorods are developed completely free of a cytotoxin called CTAB (cetyltrimethylammonium). Thus, Sona’s gold nanorod technology compared to other gold nanorods in the market, has an edge as they are non-toxic and can be used not only in diagnostics but also in therapeutic applications.*

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 6th, 2019.

 Name of Director or Senior Officer

 Rob Randall

 (Signed) *Rob Randall*
CFO & Corporate Secretary

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| ***Issuer Details***Name of Issuer**SONA Nanotech Inc.** | For Month EndAugust, 2019 | Date of ReportYY/MM/DD2019/09/06 |
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| City/Province/Postal CodeDartmouth, Nova Scotia, Canada, B2Y4M9 | Issuer Fax No. | Issuer Telephone No.(902)-989-2693 |
| Contact NameDarren Rowles | Contact PositionChief Executive Officer  | Contact Telephone No.(902)-989-2693 |
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