FORM 7  
  
MONTHLY PROGRESS REPORT

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

Trading Symbol: **SONA**

Number of Outstanding Listed Securities: **60,250,528**

Date: **February 5, 2020 *(for the month ended January 31st, 2020)***

**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 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.*

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.

*The various services offered by Sona are outlined as follows:*

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.

*Not applicable*

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 January 13, 2020, the Company converted notes payable of $295,000 and accrued interest of $209,054 with the issuance of 2,520,270 common shares at a deemed price of $0.20 per share.*

*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.*

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.

*Jim Megann has been appointed as a director of the company. Mr. Megann is a former director of the Company and is currently the Managing Director of Numus Financial. Numus Financial has been an investor in Sona Nanotech since 2014.*

*Mr. Megann is replacing Mr. Wade Dawe, who has served on the Company's Board since April 2019. Mr. Dawe, the Chief Executive Officer of Numus Financial, will focus on other board commitments, but will remain a trusted advisor to Sona Nanotech.*

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:February 5th, 2020.

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 End  **January, 2020** | Date of Report  YY/MM/DD  2020/02/05 |
| Issuer Address  1 Research Drive, Bay 2 | | |
| City/Province/Postal Code  Dartmouth, Nova Scotia, Canada, B2Y4M9 | Issuer Fax No.  (902) 491-4281 | Issuer Telephone No.  (902) 989-2693 |
| Contact Name  Darren Rowles | Contact Position  Chief Executive Officer | Contact Telephone No.  (902) 989-2693 |
| Contact Email Address  darren@sonanano.com | Web Site Address  https://sonanano.com/ | |