

METAMATERIAL SECURES ADDITIONAL \$5 MILLION IN FUNDING FROM BDC CAPITAL

Halifax, Nova Scotia / April 3, 2020 – Metamaterial Inc. (the "**Company**" or "**META**") (CSE: MMAT) is pleased to announce that BDC Capital Inc. ("**BDC Capital**"), a wholly-owned subsidiary of the Business Development Bank of Canada ("**BDC**") has closed a \$5 Million convertible debenture financing (the "**BDC Financing**") with the Company.

Following the completion of the reverse take-over of Continental Precious Minerals Inc. ("**RTO Transaction**"), the private placement of common shares and warrants and unsecured convertible debentures that were raised in Metamaterial Technologies Inc. as part of the RTO Transaction, and the closing of the BDC Financing, META will continue to focus on meeting customer demand in key market verticals including automotive/transportation and solar.

There is an environmental and global economic demand for ITO-free (Indium Tin Oxide) coatings for solar cells, smart phones, touch screens, and automotive applications," stated George Palikaras, President and CEO of Metamaterial Inc. "The funds from BDC Capital will facilitate us to expand our existing manufacturing capabilities of NanoWeb® and achieve our goal of becoming a leader in cost-effective replacement solutions for ITO, which is a transparent conductive material that is used in most of the world's touchscreen and solar applications. META's award winning NanoWeb® materials are not only a sustainable alternative to ITO, but they also provide an combination of world class performance levels for transparency and conductivity."

This investment is part of BDC's \$700-million, five-year commitment announced in 2018 to help high-potential Canadian cleantech firms with market-ready technology or products meet the capital-intensive needs of scaling and achieving timely growth. "*META's technology has the capability to make advanced material products that have a direct environment impact ranging from a reduction in rare-earth mineral usage to an increase in solar cell efficiency,*" said Jahangir Bhatti, Director, Cleantech Practice at BDC. "*We are excited by the growth profile of META driven by a robust pipeline of upcoming product launches targeting multiple industries.*"

Canada is ranked among the best places in the world for cleantech innovation, with more than 800 cleantech companies employing over 55,000 people across the country. In 2019, META won its spot on the Global Cleantech 100, a list of the world's most promising cleantech companies, beating out more than 13,900 nominees from 93 countries.

To find out more about NanoWeb® benefits [click here](#)



Terms of the BDC Financing

The BDC Financing is being provided to the Company pursuant to the terms and conditions of a debenture purchase agreement between the Company and BDC Capital (the "**Agreement**"). Pursuant to the Agreement, the Company has issued secured convertible debentures (the "**Debentures**") to BDC Capital. The BDC Financing has been guaranteed by certain subsidiary and connected corporations of the Company. The Company intends to use the net proceeds of the BDC Financing to increase production capacity, product development, refinancing of existing BDC debt and for working capital purposes.

The maturity date for the Debentures is October 31, 2024. The Debentures bear interest at a rate of 10.0% per annum, payable monthly in cash on the 15th day of the month. The Debentures are convertible in full or in part, at BDC Capital's option, into Common Shares of the Company, at any time prior to their maturity at a conversion price of \$0.70 (the "**Conversion Price**"). On conversion, BDC Capital will receive a cash payment equal to accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion. In addition to the cash interest a non-compounding payment in kind ("**PIK**") interest of 8% per annum will accrue. This PIK may get reduced to 5% per annum upon certain conditions being met.

At any time after September 30, 2020, if the Common Shares of the Company are trading on the Canadian Securities Exchange ("**CSE**") at a volume-weighted average price greater than 100% of the Conversion Price (i.e greater than \$1.40) for 20 consecutive trading days with a minimum daily volume of at least 100,000 Common Shares, the Company may force the conversion of the principal amount of the then outstanding Debentures at a price per share equal to the Conversion Price.

The Debentures and any underlying Common Shares issued therefrom are subject to resale restrictions imposed by applicable law or regulation, and any securities issued will be subject to a four month hold period which will expire on the date that is four months and one day from the date of issuance.

The terms and conditions of the BDC Financing are further set forth in the Agreement, a copy of which will be posted to the Company's SEDAR profile at: [sedar.com](https://www.sedar.com)

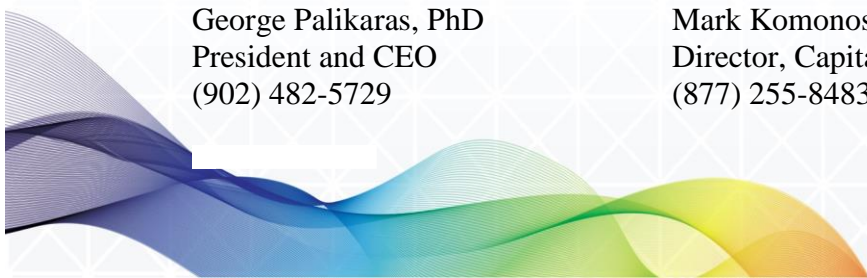
For further information please contact:

Metamaterial Inc.

1 Research Dr, Dartmouth, NS
B2Y 4M9
investors@metamaterial.com
www.metamaterial.com

George Palikaras, PhD
President and CEO
(902) 482-5729

Mark Komonoski
Director, Capital Markets and IR
(877) 255-8483



About Metamaterial Inc.

META is changing the way we use, interact and benefit from light. META designs and manufactures advanced materials and performance functional films which are engineered at the nanoscale to control light and electromagnetic waves. META is currently developing new materials with diverse applications in the automotive, aerospace, consumer electronics and medical industries. META has a growing patent portfolio with three core technologies; holographic, lithographic and wireless sensing, designed for high volume applications. META is headquartered in Dartmouth, Nova Scotia and has offices in London, UK and Pleasanton, California.

About BDC

BDC is the only bank devoted exclusively to entrepreneurs. It provides access to financing, both online and in-person, as well as advisory services to help Canadian businesses grow and succeed. Its investment arm, BDC Capital, offers a wide range of risk capital solutions. For 75 years and counting, BDC's purpose has been to support entrepreneurs in all industries and all stages of growth. For more information and to consult more than 1,000 free tools, articles and entrepreneurs' stories, visit bdc.ca.

Forward-Looking Statements

This release includes forward-looking information within the meaning of Canadian securities laws regarding the Company and its business, which may include, but are not limited to, statements with respect to the listing of the common shares of the Company on the CSE, and the timing of such events. Often but not always, forward-looking information can be identified by the use of words such as "expect", "intends", "anticipated", "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would" or "will" be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of the Company, and are based on assumptions and subject to risks and uncertainties. Although the management of the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the technology industry, market conditions, economic factors, management's ability to manage and to operate the business and the equity markets generally. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and the Company does not undertake any obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events, or otherwise

The CSE has neither approved nor disapproved the contents of this news release.

