

Sona Nanotech Inc. Signs Agreement to Develop Innovative New Point of Care Tests for Infectious Diseases

Halifax, Nova Scotia--(Newsfile Corp. - March 12, 2019) - Sona Nanotech Inc. (CSE: 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. Its international network of clinicians, investors and stakeholders in the sector ensure its products have the best chance of success.

OLM wants to develop new, rapid, multiplexed lateral flow assays to detect infectious diseases in humans, helping doctors in primary diagnosis. The company believes Sona's unique gold nanorods can help it develop quicker and more sensitive tests for infectious diseases than those currently on the market.

Long-term research shows that outbreaks of infectious diseases are rising around the world. **[1]** According to World Bank estimates, the annual global cost of moderately severe to severe pandemics is roughly US \$570 billion, or 0.7% of global income. **[2]** The infectious disease diagnostics market is forecast to be worth more than US \$20 billion by 2024. **[3]**

Sona Nanotech manufactures gold nanorods that can produce a variety of colours when integrated into a test strip, making them ideal for multiplexing. The nanorods also offer higher sensitivity and better performance than many existing reagents.

Darren Rowles, Sona's CEO, said: "OLM is an established brand in the market place with a strong reputation and an excellent track record of developing rapid point-of-care diagnostic tests for medical areas that are poorly served, such as fungal infections. With our combined technologies I am certain we can produce tests for infectious diseases that improve on those currently on the market and offer real solutions to medical practitioners. This collaboration has the potential to increase Sona's reach into valuable new markets."

Gemma Johnson, scientific director of OLM Diagnostics, said: "At OLM we like to work with carefully selected partners to ensure the right teams are in place to progress products through to commercialisation. In Sona we have found an excellent partner. Sona has unique technology with advantages over existing offerings that can have a huge impact on the lateral flow market. The potential improvements in test performance and ability to multiplex simply and quickly could provide us with the ability to generate a device ready for clinical evaluation in a matter of months."

[1] <https://www.scientificamerican.com/article/global-infections-by-the-numbers/>

[2] <https://www.weforum.org/agenda/2018/05/how-epidemics-infect-the-global-economy-and-what-to-do-about-it/>

[3] <https://www.marketwatch.com/press-release/infectious-disease-diagnostics-market-to-surpass-us-20-billion-by-2024-2019-02-19>

About Sona Nanotech Inc.

Sona Nanotech Inc. is a nanotechnology 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 development and application 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 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, pending the approval of various regulatory boards including Health Canada and the FDA.

Sona is a publicly listed company on the Canadian Securities Exchange existing under the laws of Nova Scotia, with its operations in Nova Scotia.

About OLM Diagnostics

OLM Diagnostics is a medical diagnostics company that manufactures, markets and distributes innovations in fungal and bacterial diagnostics to the healthcare sector. Founded in 2014, OLM works with a range of clinical and academic partners to produce novel and reliable rapid diagnostic tests for medical areas that are currently poorly served.

For More Information

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FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the Amalgamation (including the structure of the Amalgamation), the Amalgamation (including shareholder approval, shareholder support, and other terms), the Private Placement (including its completion and the use of proceeds from the Private Placement), the directors and management of the resulting issuer upon completion of the Amalgamation, and the implementation of Sona's business plan. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the completion of the Amalgamation and matters relating thereto; and risks associated with the marketing and sale of securities, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to Sona's proposed business, such as failure of the business strategy and government regulation; risks related to Sona's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to Sona and its business generally, such as infringement of intellectual property rights and conflicts of interest. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS

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