

*Unaudited Condensed Interim Consolidated Financial Statements of*

**SONA NANOTECH Inc.**

For the quarters ended April 30, 2026 and 2025

(Expressed in Canadian Dollars)

June 29, 2026

## **Management's Responsibility for Financial Reporting**

The accompanying unaudited condensed interim consolidated financial statements of Sona Nanotech Inc. are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*David Regan*"  
Chief Executive Officer  
Halifax, Canada

(signed) "*Robert Randall*"  
Chief Financial Officer  
Halifax, Canada

# Sona Nanotech Inc.

## Unaudited Condensed Consolidated Statements of Financial Position

As at April 30, 2026 and October 31, 2025

*Expressed in Canadian dollars*

|                                                           | April 30,<br>2026<br>\$ | October 31,<br>2025<br>\$ |
|-----------------------------------------------------------|-------------------------|---------------------------|
| <b>Assets</b>                                             |                         |                           |
| Current assets                                            |                         |                           |
| Cash and cash equivalents                                 | 48,759                  | 121,955                   |
| Amounts receivable and other (note 4)                     | 28,593                  | 172,636                   |
| Marketable securities                                     | 4,000                   | 4,000                     |
|                                                           | 81,352                  | 298,591                   |
| Intangible assets, net (note 5)                           | 671,000                 | 1,031,000                 |
| <b>Total Assets (note 6)</b>                              | <b>752,352</b>          | <b>1,329,591</b>          |
| <b>Liabilities</b>                                        |                         |                           |
| Current liabilities                                       |                         |                           |
| Accounts payable and accrued liabilities (notes 8 and 15) | 1,137,553               | 1,060,629                 |
| Long-term debt (note 9)                                   | 328,871                 | 307,740                   |
|                                                           | 1,466,424               | 1,368,369                 |
| <b>Shareholders' Deficiency</b>                           |                         |                           |
| Common stock                                              | 23,007,354              | 22,355,149                |
| Warrants                                                  | 125,237                 | 331,005                   |
| Contributed surplus                                       | 1,499,963               | 1,329,432                 |
| Deficit                                                   | (25,346,626)            | (24,054,364)              |
|                                                           | (714,072)               | (38,778)                  |
| <b>Total Liabilities and Shareholders' Deficiency</b>     | <b>752,352</b>          | <b>1,329,591</b>          |

Basis of presentation and going concern (note 2)

Commitments (note 17)

Approved on behalf of the Board of Directors on June 29, 2026.

"Mark Lievonen"  
Director

"Jim Megann"  
Director

*The accompanying notes are an integral part of these consolidated financial statements.*

# Sona Nanotech Inc.

## Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss For the three-months and six-months ended April 30, 2026 and 2025

*Expressed in Canadian dollars*

|                                                                                 | Three-months<br>ended<br>April 30,<br>2026<br>\$ | Three-months<br>ended<br>April 30,<br>2025<br>\$ | Six-months<br>ended<br>April 30,<br>2026<br>\$ | Six-months<br>ended<br>April 30,<br>2025<br>\$ |
|---------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Expenses</b>                                                                 |                                                  |                                                  |                                                |                                                |
| Salaries and benefits (note 8 & 14)                                             | 225,471                                          | 252,435                                          | 437,189                                        | 489,139                                        |
| Research and development costs                                                  | 8,971                                            | 240,542                                          | 63,208                                         | 485,859                                        |
| Professional and consulting fees (note 15)                                      | 53,597                                           | 23,402                                           | 93,437                                         | 91,398                                         |
| Administrative                                                                  | 32,094                                           | 21,799                                           | 64,426                                         | 52,252                                         |
| Securities and regulatory                                                       | 26,217                                           | 23,546                                           | 42,380                                         | 40,172                                         |
| Travel                                                                          | -                                                | 165                                              | 6,090                                          | 2,906                                          |
| Rent and related costs (note 15)                                                | 8,789                                            | 8,582                                            | 17,578                                         | 16,701                                         |
| Sales and marketing (note 15)                                                   | 7,553                                            | 7,705                                            | 29,195                                         | 16,662                                         |
| Foreign exchange (gain) loss                                                    | (443)                                            | (10,849)                                         | (8,395)                                        | 3,256                                          |
| Share-based compensation (note 14 & 15)                                         | 81,720                                           | 124,515                                          | 170,531                                        | 218,211                                        |
| Recovery of project expenses (note 7)                                           | -                                                | (6,931)                                          | -                                              | (6,931)                                        |
|                                                                                 | <b>(446,469)</b>                                 | <b>(684,911)</b>                                 | <b>(915,639)</b>                               | <b>(1,409,625)</b>                             |
| <b>Other income (expenses)</b>                                                  |                                                  |                                                  |                                                |                                                |
| Amortization of intangible assets (note 5)                                      | (180,000)                                        | (180,000)                                        | (360,000)                                      | (360,000)                                      |
| Accreted interest, repayable government loans (note 9)                          | (10,566)                                         | (13,551)                                         | (21,131)                                       | (27,100)                                       |
| Scientific research and experimental development credits (note 7)               | 4,508                                            | -                                                | 4,508                                          | -                                              |
| Unrealized gain (loss) on available-for-sale securities                         | (1,000)                                          | -                                                | -                                              | -                                              |
|                                                                                 | <b>(187,058)</b>                                 | <b>(193,551)</b>                                 | <b>(376,623)</b>                               | <b>(387,100)</b>                               |
| <b>Net loss and comprehensive loss for the period</b>                           | <b>(633,527)</b>                                 | <b>(878,462)</b>                                 | <b>(1,292,262)</b>                             | <b>(1,796,725)</b>                             |
| <br>Loss per share – basic and diluted                                          | <br><b>(0.01)</b>                                | <br><b>(0.01)</b>                                | <br><b>(0.01)</b>                              | <br><b>(0.02)</b>                              |
| <br>Weighted-average number of common shares<br>outstanding - basic and diluted | <br><b>114,375,253</b>                           | <br><b>112,310,024</b>                           | <br><b>114,203,558</b>                         | <br><b>112,010,306</b>                         |

*The accompanying notes are an integral part of these consolidated financial statements.*

# Sona Nanotech Inc.

## Unaudited Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

For the six-months ended April 30, 2026 and 2025

Expressed in Canadian dollars

|                                                                | Number of<br>Common<br>Shares | Common<br>Shares  | Warrants       | Contributed<br>Surplus | Deficit             | Total            |
|----------------------------------------------------------------|-------------------------------|-------------------|----------------|------------------------|---------------------|------------------|
|                                                                |                               | \$                | \$             | \$                     | \$                  | \$               |
| <b>Balance, November 1, 2024</b>                               | <b>111,720,361</b>            | <b>21,990,553</b> | <b>474,101</b> | <b>2,789,487</b>       | <b>(22,745,031)</b> | <b>2,509,110</b> |
| Net loss and comprehensive loss for the period                 | -                             | -                 | -              | -                      | (1,796,725)         | (1,796,725)      |
| Shares issued upon exercise of Finder warrants (note 15)       | 820,000                       | 177,571           | (95,571)       |                        |                     | 82,000           |
| Share-based compensation expense                               | -                             | -                 | -              | 218,211                | -                   | 218,211          |
| Stock option expiry (note 12)                                  | -                             | -                 | -              | (677,985)              | 677,985             | -                |
| <b>Balance, April 30, 2025</b>                                 | <b>112,540,361</b>            | <b>22,168,124</b> | <b>378,530</b> | <b>2,329,713</b>       | <b>(23,863,771)</b> | <b>1,012,596</b> |
| Net loss and comprehensive loss for the period                 |                               |                   |                |                        | (1,453,620)         | (1,453,620)      |
| Shares issued upon exercise of Share warrants (note 10 and 12) | 465,000                       | 187,025           | (47,525)       |                        |                     | 139,500          |
| Share-based compensation expense                               | -                             | -                 | -              | 262,746                | -                   | 262,746          |
| Stock option expiry (note 12)                                  | -                             | -                 | -              | (1,263,027)            | 1,263,027           | -                |
| Share cancellation (note 10)                                   | (118,233)                     | -                 | -              | -                      | -                   | -                |
| <b>Balance, October 31, 2025</b>                               | <b>112,887,128</b>            | <b>22,355,149</b> | <b>331,005</b> | <b>1,329,432</b>       | <b>(24,054,364)</b> | <b>(38,778)</b>  |
| Net loss and comprehensive loss for the period                 | -                             | -                 | -              | -                      | (1,292,262)         | (1,292,262)      |
| Shares issued upon exercise of Finder warrants (note 15)       | 290,625                       | 133,521           | (46,333)       | -                      | -                   | 87,188           |
| Shares issued upon exercise of Share warrants (note 10 and 12) | 1,197,500                     | 481,637           | (122,388)      | -                      | -                   | 359,249          |
| Share warrant expiry (note 12)                                 | -                             | 37,047            | (37,047)       | -                      | -                   | -                |
| Share-based compensation expense                               | -                             | -                 | -              | 170,531                | -                   | 170,531          |
| <b>Balance, April 30, 2026</b>                                 | <b>114,375,253</b>            | <b>23,007,354</b> | <b>125,237</b> | <b>1,499,963</b>       | <b>(25,346,626)</b> | <b>(714,072)</b> |

The accompanying notes are an integral part of these consolidated financial statements.

# Sona Nanotech Inc.

## Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the six-months ended April 30, 2026 and 2025

*Expressed in Canadian dollars*

|                                                                 | Six-months<br>ended<br>April 30,<br>2026<br>\$ | Six-months<br>ended<br>April 30,<br>2025<br>\$ |
|-----------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Operating activities</b>                                     |                                                |                                                |
| Net loss for the period                                         | (1,292,262)                                    | (1,796,725)                                    |
| Changes to loss not involving cash:                             |                                                |                                                |
| Amortization (note 5)                                           | 360,000                                        | 360,000                                        |
| Recovery of project costs (note 7)                              | -                                              | (6,931)                                        |
| Accreted interest on repayable government loans (note 9)        | 21,131                                         | 27,100                                         |
| Share-based compensation (note 11)                              | 170,531                                        | 218,211                                        |
| Unrealized gain on available-for-sale securities                | -                                              | -                                              |
|                                                                 | (740,600)                                      | (1,198,345)                                    |
| (Increase) decrease in amounts receivable and other             | 144,043                                        | (32,586)                                       |
| Increase (decrease) in accounts payable and accrued liabilities | 76,924                                         | 14,482                                         |
|                                                                 | (519,633)                                      | (1,216,449)                                    |
| <b>Financing activities</b>                                     |                                                |                                                |
| Government funding received (note 7)                            | -                                              | 6,931                                          |
| Proceeds received upon exercise of finder warrants              | 87,188                                         | 82,000                                         |
| Proceeds received upon exercise of share warrants               | 359,249                                        | -                                              |
|                                                                 | 446,437                                        | 88,931                                         |
| Change in cash during the period                                | (73,196)                                       | (1,127,518)                                    |
| Cash, beginning of the period                                   | 121,955                                        | 1,854,518                                      |
| Cash, end of the period                                         | 48,759                                         | 727,000                                        |

*The accompanying notes are an integral part of these consolidated financial statements.*

# **Sona Nanotech Inc.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025**

*Expressed in Canadian dollars*

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### **1. NATURE OF OPERATIONS**

Sona Nanotech Inc. (“Sona” and “the Company”) is a company involved in the nanotechnology life sciences industry. The Company’s corporate office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3R7 and its registered office is located at Nova Centre – South Tower 1500 – 1625 Grafton Street, Halifax, N.S., Canada, B3J 0E8. The research and development office is located at 1344 Summer Street, Halifax, N.S., Canada, B3H 0A8.

The Company is listed on the Canadian Securities Exchange (“CSE”) and trades under the symbol “SONA”. Effective April 2020, the Company’s common shares were approved for trading on the OTCQB Marketplace under the trading symbol “SNANF”. On March 23, 2023, the Company completed a share exchange agreement with Siva Therapeutics, Inc. (“Siva”) whereby Sona acquired 100% of the issued and outstanding common shares of Siva (note 5).

### **2. BASIS OF PRESENTATION AND GOING CONCERN**

#### **Basis of presentation**

These consolidated financial statements have been prepared under a historical cost basis except for certain financial instruments recorded at fair value. All amounts are expressed in Canadian dollars, unless otherwise noted.

#### **Basis of consolidation**

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements include assets, liabilities and results of operations of the Company, including the following subsidiary:

| <b>Subsidiary</b>       | <b>Principal Activity</b> | <b>Country of incorporation</b> |
|-------------------------|---------------------------|---------------------------------|
| Siva Therapeutics, Inc. | Research and development  | United States                   |

The Company consolidates the wholly owned subsidiary on the basis that it controls the subsidiary through its ability to govern their financial and operating policies. All intercompany transactions and balances have been eliminated on consolidation of the accounts.

#### **Functional and Presentation Currency**

The presentation currency of these consolidated financial statements is the Canadian dollar (“CAD”). The functional currency of the Company is the Canadian dollar. The functional currency of Siva Therapeutics is the U.S. dollar (“USD”).

#### **Going concern**

The Company’s operations have been financed through the sale of common shares, issuance of debt and government funding. The Company has incurred significant operating losses since inception and has an accumulated deficit of \$25,346,626 as at April 30, 2026 (October 31, 2025 – \$24,054,364).

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended April 30, 2026, the Company incurred a net loss of \$1,292,262 (year ended October 31, 2025 - \$3,250,345). The Company has negative cash flow from operations and as at April 30, 2026, the Company has a working capital deficiency of \$1,056,201 (October 31, 2025 – deficiency of \$762,038).

# **Sona Nanotech Inc.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025**

***Expressed in Canadian dollars***

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In addition to its working capital requirements, the Company must secure sufficient funding to further develop its gold nanorod products and to fund its general operating costs. Such circumstances create material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. However, there can be no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

### **3. SUMMARY OF ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### **a) Statement of compliance**

The consolidated financial statements of the Company have been prepared in accordance with IFRS as issued by IASB. The Board of Directors approved these consolidated financial statements for issue on June 29, 2026.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2025.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of June 29, 2026, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's financial statements for the year ended October 31, 2026 could result in the restatement of these unaudited condensed interim financial statements.

These financial statements have been prepared using the same policies and methods of computation as the audited financial statements of the Company for the year ended October 31, 2025. Refer to note 3, Accounting Policies, of the Company's audited financial statements for the year ended October 31, 2025 for information on the accounting policies, significant accounting estimates and judgements, and new accounting standards not yet effective.

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025 *Expressed in Canadian dollars*

### 4. AMOUNTS RECEIVABLE AND OTHER

|                                        | April 30,<br>2026 | October 31,<br>2025 |
|----------------------------------------|-------------------|---------------------|
|                                        | \$                | \$                  |
| Amounts receivable from the government | 5,653             | 105,048             |
| Prepaid expenses and other             | 22,940            | 67,588              |
|                                        | <b>28,593</b>     | <b>172,636</b>      |

### 5. INTANGIBLE ASSET

In early 2023, Sona acquired Siva Therapeutics, Inc. (“Siva”), the developer of Targeted Hyperthermia Therapy™ (“THT”) photothermal therapy for cancer tumors using Sona’s uniquely biocompatible gold nanorods. Sona acquired the issued and outstanding common shares of Siva for total consideration to Siva’s shareholders by issuing 15,107,457 common shares (\$2,865,600) (“Sona Shares”).

Sona assessed the Transaction with Siva using the optional concentration test to determine if it had acquired a business. In applying the concentration test it was determined that the assets of Siva did not constitute a business and therefore the acquisition of Siva was accounted for as an asset acquisition. This resulted in the recognition of the Siva intangible asset in the amount of \$2,891,000.

The following table summarizes information relating to the carrying value of intangible assets which are being amortized over the estimated useful life of the THT project which is currently estimated to be four years from the date of acquisition.

|                          | April 30,<br>2026 | October 31,<br>2025 |
|--------------------------|-------------------|---------------------|
|                          | \$                | \$                  |
| Cost                     | 2,891,000         | 2,891,000           |
| Accumulated amortization | (2,220,000)       | (1,860,000)         |
| Carrying Value           | <b>671,000</b>    | <b>1,031,000</b>    |

### 6. EQUIPMENT

|                                           | Office<br>Equipment | Laboratory<br>Equipment | Furniture<br>and Fixtures | Total          |
|-------------------------------------------|---------------------|-------------------------|---------------------------|----------------|
| <b>Cost</b>                               | \$                  | \$                      | \$                        | \$             |
| As at November 1, 2024                    | 11,633              | 300,547                 | 13,144                    | 325,324        |
| Additions                                 | -                   | -                       | -                         | -              |
| As at October 31, 2025 and April 30, 2026 | <b>11,633</b>       | <b>300,547</b>          | <b>13,144</b>             | <b>325,324</b> |
| <b>Accumulated depreciation</b>           |                     |                         |                           |                |
| As at November 1, 2024                    | 11,633              | 300,547                 | 13,144                    | 325,324        |
| Depreciation charge                       | -                   | -                       | -                         | -              |
| As at October 31, 2025 and April 30, 2026 | <b>11,633</b>       | <b>300,547</b>          | <b>13,144</b>             | <b>325,324</b> |
| <b>Carrying amount</b>                    |                     |                         |                           |                |
| Balance, October 31, 2025                 | -                   | -                       | -                         | -              |
| Balance, April 30, 2026                   | -                   | -                       | -                         | -              |

As at April 30, 2026, equipment had a cost of \$325,324 (October 31, 2025 - \$325,324), all of which is fully depreciated and continues to be used in the Company’s operations. The Company also utilizes equipment acquired in the 2020 fiscal period with an aggregate cost of \$671,670 and which was funded by government grants via the NGen Manufacturing program and accounted for by reducing the carrying amount of the related assets to \$nil.

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025

*Expressed in Canadian dollars*

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### 7. GOVERNMENT ASSISTANCE

During the period ended April 30, 2026 the Company incurred eligible expense recoveries of \$nil under the Industrial Research Assistance Program (“IRAP”) of Canada (year ended October 31, 2025 - \$6,931).

During the year ended October 31, 2025, the Company incurred expenses which are eligible for reimbursement as an investment tax credit under the Scientific Research and Experimental Development (“SR&ED”) tax incentive program. For the year ended October 31, 2025 a SR&ED tax credit of \$100,000 was recorded.

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|                                                | <b>April 30,<br/>2026</b> | <b>October 31,<br/>2025</b> |
|------------------------------------------------|---------------------------|-----------------------------|
|                                                | \$                        | \$                          |
| Trade accounts payable and accrued liabilities | 934,432                   | 906,931                     |
| Amounts payable to related parties (note 15)   | 203,121                   | 153,698                     |
|                                                | <b>1,137,553</b>          | <b>1,060,629</b>            |

### 9. LONG-TERM DEBT

|                                                      | <b>April 30,<br/>2026</b> | <b>October 31,<br/>2025</b> |
|------------------------------------------------------|---------------------------|-----------------------------|
|                                                      | \$                        | \$                          |
| <b>Atlantic Canada Opportunities Agency (“ACOA”)</b> |                           |                             |
| Long-term portion                                    | <b>328,871</b>            | <b>307,740</b>              |
| <b>Face Value ACOA Loans</b>                         | <b>978,332</b>            | <b>978,332</b>              |

The Company has two interest free loans with ACOA under the Business Development Program. There is no fixed term to the loans and repayments are to be made based on 3% and 5% of annual gross product revenue. The carrying amount of the loans is determined by computing the present value of the estimated future cash flows. During the period ended April 30, 2026 the Company recorded \$21,131 of accretion expense (2025 - \$27,100), relating to the ACOA loans.

| <i>Debt continuity</i>                              | <b>April 30,<br/>2026</b> | <b>October 31,<br/>2025</b> |
|-----------------------------------------------------|---------------------------|-----------------------------|
|                                                     | \$                        | \$                          |
| Balance – beginning of year                         | 307,740                   | 394,671                     |
| Repayable government loans present value adjustment | -                         | (125,503)                   |
| Accreted interest on repayable government loans     | 21,131                    | 38,572                      |
| Balance – end of period                             | <b>328,871</b>            | <b>307,740</b>              |

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025 *Expressed in Canadian dollars*

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### 10. SHARE CAPITAL

#### a) Common shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

#### Share Cancellation

In 2018, under the Company's Plan of Arrangement and for a period of six years, all shareholders of the predecessor companies were entitled to convert the former share certificates of the predecessor companies to shares of the new company Sona Nanotech Inc. With the expiry of the six years, each share certificate of the former companies shall cease to represent a right or claim to receive shares of the new company. In October 2025, the Company initiated the cancellation of these conversion rights and as a result, 118,233 shares have been cancelled.

#### Warrant Exercise

In February 2025, 820,000 finder warrants issued pursuant to the February 2023 Financing, were exercised with an exercise price of \$0.10 per share for proceeds of \$82,000.

In July 2025, 215,000 share warrants issued pursuant to the December 2023 financing, were exercised with an exercise price of \$0.30 per share for proceeds of \$64,500.

In November 2025, 1,197,500 share warrants and 290,625 finder warrants issued pursuant to the December 2023 financing, were exercised with an exercise price of \$0.30 per share for proceeds of \$359,249 and \$87,188 respectively.

### 11. STOCK OPTIONS

The Company has adopted a stock option plan, providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price on the date preceding the date of grant. As at April 30, 2026, 4,447,525 remain available for grant under the terms of the stock option plan.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

The following are the weighted-average assumptions used in calculating the value of the stock options granted:

|                             | <b>Year Ended<br/>October 31, 2025</b> |
|-----------------------------|----------------------------------------|
| Risk-free interest rate     | 2.48%                                  |
| Expected life               | 3 years                                |
| Expected volatility         | 118%                                   |
| Expected dividend per share | 0.0%                                   |
| Exercise price              | 0.30                                   |
| Forfeiture Rate             | 0.0%                                   |

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025

*Expressed in Canadian dollars*

The following table reconciles the stock option activity during the period ended April 30, 2026 and the year ended October 31, 2025:

|                                              | Number of<br>options | Weighted-average<br>exercise price |
|----------------------------------------------|----------------------|------------------------------------|
|                                              | #                    | \$                                 |
| Balance, October 31, 2024                    | <b>6,762,000</b>     | <b>0.53</b>                        |
| Expired                                      | (1,907,000)          | 1.12                               |
| Issued                                       | 2,135,000            | 0.30                               |
| Balance, October 31, 2025 and April 30, 2026 | <b>6,990,000</b>     | <b>0.30</b>                        |

During the year ended October 31, 2025, 1,907,000 outstanding stock options were cancelled or expired unexercised. As a result of these cancellations and expiries, the Company reclassified stock-based compensation expense of \$1,941,012 for these options, which was previously recorded as contributed surplus, to deficit.

The following table summarizes information relating to outstanding and exercisable stock options as at April 30, 2026:

| Expiry date        | Remaining<br>contractual life<br>(in years) | Number of options<br>outstanding | Number of<br>options<br>exercisable | Exercise<br>price | Black-Scholes option<br>value of options<br>outstanding |
|--------------------|---------------------------------------------|----------------------------------|-------------------------------------|-------------------|---------------------------------------------------------|
|                    |                                             | #                                | #                                   | \$                | \$                                                      |
| September 28, 2026 | 0.4                                         | 35,000                           | 35,000                              | 0.30              | 9,207                                                   |
| November 11, 2026  | 0.5                                         | 700,000                          | 700,000                             | 0.44              | 280,159                                                 |
| January 4, 2027    | 0.7                                         | 250,000                          | 250,000                             | 0.45              | 90,400                                                  |
| March 28, 2028     | 1.9                                         | 1,050,000                        | 1,050,000                           | 0.17              | 163,022                                                 |
| July 11, 2028      | 2.2                                         | 850,000                          | 550,000                             | 0.25              | 193,231                                                 |
| March 1, 2029      | 2.8                                         | 1,195,000                        | 896,250                             | 0.31              | 260,383                                                 |
| May 21, 2029       | 3.1                                         | 750,000                          | 562,500                             | 0.32              | 162,695                                                 |
| October 9, 2029    | 3.4                                         | 25,000                           | 18,750                              | 0.30              | 4,719                                                   |
| April 30, 2030     | 4.0                                         | 2,135,000                        | 1,067,500                           | 0.30              | 442,105                                                 |
|                    |                                             | <b>6,990,000</b>                 | <b>5,130,000</b>                    |                   |                                                         |

## 12. WARRANTS

The following table reconciles the warrant activity during the period ended April 30, 2026 and the year ended October 31, 2025:

|                           | Number of<br>warrants | Weighted-average<br>exercise price |
|---------------------------|-----------------------|------------------------------------|
|                           | #                     | \$                                 |
| Balance, October 31, 2024 | <b>3,857,875</b>      | <b>0.25</b>                        |
| Exercised                 | (1,285,000)           | 0.17                               |
| Balance, October 31, 2025 | <b>2,572,875</b>      | <b>0.29</b>                        |
| Exercised                 | (1,488,125)           | 0.30                               |
| Expired                   | (362,500)             | 0.30                               |
| Balance, April 30, 2026   | <b>722,250</b>        | <b>0.25</b>                        |

During the period ended April 30, 2026, 1,197,500 share warrants and 290,625 finder warrants were exercised with an exercise price of \$0.30 per share for proceeds of \$359,249 and \$87,188 respectively. An Officer of the Company exercised 25,000 of the share warrants. Additionally, 362,500 share warrants expired unexercised, including 62,500 held by a Director. As a result of the expiry, \$37,047 which had been previously allocated to warrants was reclassified to share capital.

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025

*Expressed in Canadian dollars*

During the year ended October 31, 2025, 820,000 finder warrants were exercised with an exercise price of \$0.10 per share for proceeds of \$82,000 and 465,000 share warrants were exercised with an exercise price of \$0.30 per share for proceeds of \$139,500. A Director of the Company exercised 25,000 of the share warrants.

The fair value of the warrants issued has been estimated at the grant date using the Black-Scholes option pricing model. The weighted-average assumptions used in the pricing are as follows:

|                                 | Year Ended<br>October 31, 2024 | Year ended<br>October 31, 2023 |
|---------------------------------|--------------------------------|--------------------------------|
| Risk-free interest rate         | 4.06%                          | 4.20%                          |
| Expected life                   | 2 years                        | 2 years                        |
| Expected volatility             | 142%                           | 150%                           |
| Expected dividend per share     | 0.0%                           | 0.0%                           |
| Weighted-average exercise price | \$0.29                         | \$0.10                         |

### 13. INCOME TAXES

Please refer to Note 14 in the Company's annual financial statements for the year ended October 31, 2025, for income tax disclosures.

### 14. KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and the Chief Medical Officer ("CMO"). Compensation awarded to key management for the six-months ended April 30, 2026 and 2025 is summarized as follows:

|                                     | April 30,<br>2026 | April 30,<br>2025 |
|-------------------------------------|-------------------|-------------------|
|                                     | \$                | \$                |
| Salaries and consulting fees earned | 221,621           | 274,358           |
| Share-based compensation expense    | 149,490           | 191,995           |
|                                     | <b>371,111</b>    | <b>466,353</b>    |

### 15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the period ended April 30, 2026, the Company incurred costs for controller services from a related party, Numus, a company controlled by significant shareholders, including one director of Sona, in the amount of \$15,000 (2025 - \$15,000), digital media services of \$8,000 (2025 - \$11,850) and incurred rent and administrative costs from Numus in the amount of \$5,100 (2025 - \$5,100).

As at April 30, 2026, the amount owing to Numus, related to accounts payable and was \$54,362 (October 31, 2025 - \$111,057). As at April 30, 2026 the amount owing to officers of Sona was \$148,759 (October 31, 2025 - \$42,641). These amounts are non-interest bearing, unsecured and are payable on demand.

# **Sona Nanotech Inc.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025**

***Expressed in Canadian dollars***

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As outlined in the Services Agreement between Numus and the Company, if the financial controller services are cancelled by the Company, a break fee of 45 days of remuneration, being \$3,750, will be payable to Numus, in addition to the financial controller services fee applicable for the 90-day notice period. If the Office services are cancelled by the Company without notice to Numus, a break fee of three months of remuneration, being \$2,550, will be payable to Numus.

In addition, Numus shall have a first right of refusal to act as an advisor on a Sona transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as the Finder on all financings conducted by Sona.

In February 2025, Numus Capital Corp exercised 820,000 finder warrants issued pursuant to the February 24, 2023 Financing. The warrants had an exercise price of \$0.10 per share resulting in proceeds of \$82,000. In November 2025, Numus Capital Corp exercised 290,625 finder warrants issued pursuant to the December 4, 2023 Financing. The warrants had an exercise price of \$0.30 per share resulting in proceeds of \$87,188.

During the year ended October 31, 2025 the Company granted 1,855,000 incentive stock options in accordance with the Company's stock option plan to directors and officers of the Company. The options issued have an exercise price of \$0.30 per share. The options will vest at the rate of 25% every six months and will expire five years from the date of issuance.

### **16. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

#### **a) Capital Management**

The Company's capital structure consists of share capital, warrants, contributed surplus and deficit, which at April 30, 2026 was a deficit of approximately \$0.7 million (October 31, 2025 – deficit of approximately \$0.1 million). The Company's objective when managing capital is to maintain adequate levels of funding to support the research and development of its nanorod technology products, Targeted Hyperthermia Therapy™ and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and government funding. Future financings are dependent on market conditions, and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

#### **b) Fair Values of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the statement of financial position for cash, amounts receivable, marketable securities and accounts payable approximate their fair values based on the immediate or short-term maturities of these financial instruments. Long-term debt is measured at amortized cost. Due to the variable and contingent nature of their repayment terms, management has determined that the carrying amount of the ACOA loans approximates their fair value (note 9).

#### **c) Financial Risk Management Objectives**

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

# Sona Nanotech Inc.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025 *Expressed in Canadian dollars*

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### d) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with a reputable bank in Canada. The long-term credit rating of the bank, as determined by Standard and Poor's, was A+.

### e) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. Refer to note 2 for further details related to the ability of the Company to continue as a going concern.

The Company is currently pursuing financing alternatives and there can be no assurance that additional future financings will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditures.

Accounts payable are paid in the normal course of business generally according to their terms.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as at April 30, 2026:

|                         | <b>Within 1 year</b> | <b>2-3 years</b> | <b>4-5 years</b> | <b>Over 5 years</b> | <b>Total</b>     |
|-------------------------|----------------------|------------------|------------------|---------------------|------------------|
|                         | \$                   | \$               | \$               | \$                  | \$               |
| Accounts payable        | 1,137,553            | -                | -                | -                   | 1,137,553        |
| Long-term debt (note 9) | -                    | 2,500            | 34,200           | 941,632             | 978,332          |
|                         | <b>1,137,553</b>     | <b>2,500</b>     | <b>34,200</b>    | <b>941,632</b>      | <b>2,115,885</b> |

### f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

For the period ended April 30, 2026, the sensitivity of the Company's net loss and comprehensive loss due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the United States dollar) would have an impact on net loss and comprehensive loss by \$50,025 for a 5% increase or decrease in the Canadian dollar.

# **Sona Nanotech Inc.**

## **Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended April 30, 2026 and 2025**

*Expressed in Canadian dollars*

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### **g) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

An immaterial amount of interest rate exposure exists in respect of cash balances, and the long-term debt on the statement of financial position. The long-term debt interest rates are at a nil rate and the interest on the cash balances is insignificant. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

### **h) Fair Value Measurements Recognized in the Statement of Financial Position**

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At April 30, 2026 and October 31, 2025, the Company's cash and marketable securities were measured and recognized on the statement of financial position at fair value on a recurring basis. The fair value was based on level 1 inputs. There were no transfers between levels during the period.

## **17. COMMITMENTS**

The Company has an employment agreement with the CEO which provides that, should a change in control event occur, as defined in the employment agreement, the CEO will receive a lump sum payment of up to 24 months of his then current base salary based on the value of the Company as of the date of the change of control.

As at April 30, 2026, the Company has a Services Agreement with Numus. See note 15 for further details.