# Nano One Announces Collaboration Agreement with Sumitomo Metal Mining and a C$16.9 Million Strategic Investment

written by Raj Shah | September 25, 2023

September 25, 2023 (Source) – **(TSX:NANO)(OTC:NNOMF)(Frankfurt:LBMB) and Tokyo, Japan (TSE:5713).**

**Highlights:**

- Sumitomo Metal Mining and Nano One will partner via Collaboration Agreement.
- Sumitomo Metal Mining will make a C$16.9M equity investment in Nano One.
- The Companies intend to jointly explore business development opportunities focused on future sales, licensing, partnerships, investment and financing opportunities for expanded operations.
- Collaboration to support the development of battery ecosystems, with a particular focus on LFP and NMC production using the One-Pot process.
- Includes ongoing research and development for the production of clean, reliable, long-lasting battery materials.

Nano One® Materials Corp. ("Nano One") is a clean technology company with patented processes for the sustainable production

of lithium-ion battery cathode materials, and Sumitomo Metal Mining Co., Ltd. (“SMM”, together with Nano One, the “Companies”) is a leading vertically integrated miner, refiner and producer of cathode active materials (“CAM”) with over 400 years of experience. The Companies are pleased to announce that they have agreed to a strategic equity investment in Nano One by SMM of C$16,879,949.85 and to enter into a collaboration agreement (a “Collaboration Agreement”) under which the parties will work together to accelerate the commercial production of lithium iron phosphate (“LFP”), CAM and nickel-rich CAM chemistries, such as lithium nickel manganese cobalt oxide (“NMC”).

*“This announcement builds on years of technology development and CAM production by both Sumitomo Metal Mining and Nano One Materials,”* said Nano One CEO, Dan Blondal, *“and it expresses our joint ambitions to develop and lead world class battery ecosystems and long-term partnerships in the production of LFP and NMC cathode materials. Sumitomo Metal Mining is a world class leader, having pioneered nickel-rich cathode active materials for long range electric vehicle battery applications. We are proud to be partnered with such a reputable and deeply experienced organization and to be jointly addressing emerging market demand in Japan, North America and other global regions.”*

For over 400 years, SMM has been mining, smelting, refining, and processing metals with a large and diverse customer base that includes nickel-rich cathode materials for lithium-ion battery and electric vehicle producers in recent years. In 2022, SMM expanded their CAM product portfolio to include LFP and have chosen to collaborate and partner with Nano One to accelerate its efforts.

Nano One has plans to build its first commercial LFP plant adjacent to its existing production scale pilot facility in

Candiac, Québec, and is nearing completion of a Front-End Loading Pre-Feasibility Study ("FEL-2") that will help determine key factors including costs, production line size, total capacity and timing. The Companies believe LFP is an important battery material that will capture a significant portion of the market in the years ahead, and that it can be produced responsibly and cost effectively in North America, Japan, and other jurisdictions using technology and know-how from both organizations.

Katsuya Tanaka, Managing Executive Officer, General Manager of Battery Material Division of SMM stated, *"Nano One has proven LFP production experience and has demonstrated that their latest technology works at scale, their materials perform, and their costs are competitive. Nano One is also aligned with our belief that less waste and energy intensive CAM production technology is one of the most important keys to contribute to developing EV markets. This is particularly important in Japan, North America, and other emerging markets where the race to meet net-zero goals and establish battery supply chains is just beginning. We are excited to be working with Nano One."*

**Strategic Equity Investment**

SMM will make a strategic equity investment into Nano One for gross proceeds of C$16,879,949.85. On closing, Nano One will issue a total of 5,498,355 common shares (the "Shares"), representing approximately 5% of the current issued and outstanding Shares of Nano One, at C$3.07 per Share in a non-brokered private placement. Nano One intends to use the proceeds principally towards the conversion of its existing Candiac LFP manufacturing facility to a One-Pot production scale pilot plant, nickel- and manganese-rich engineering, and piloting activities, and for working capital purposes.

In connection with the closing of the investment, Nano One and SMM will enter into an investor rights agreement, providing SMM with participation rights in any future equity financings to maintain pro rata ownership interest for a period of up to three years from the date of closing. Under the agreement, SMM will agree to a standstill provision that, among other things, restricts SMM's ability to purchase additional shares without Nano One consent for a period of 24 months and restricts SMM's ability to sell the Shares for 12 months, subject to certain exemptions.

The Shares will be subject to hold period of four months and a day under applicable Canadian securities law. Closing is subject to certain customary closing conditions, including the approval of the Toronto Stock Exchange (the "Exchange"). Nano One expects closing to occur within 30 days.

**Strategic Collaboration Agreement**

SMM and Nano One will enter into a Collaboration Agreement on closing of the investment that will encompass various aspects primarily centered on supporting the development of battery ecosystems, with a particular focus on LFP and NMC production using the One-Pot process. The collaboration will support technical product optimization for both LFP and NMC, as well as efforts to mitigate supply chain risks. These joint efforts are intended to strengthen and progress the development, design, construction, and operation of Nano One's proposed LFP production scale pilot plant, the piloting of nickel- and manganese-rich CAMs, and Nano One's first LFP commercial plant.

Further, the Companies will jointly explore business development opportunities, including future sales and technology licensing, forging long term partnerships and identifying potential investment and financing opportunities to expand operations. In

the pursuit of these shared business objectives, the Companies intend to exchange relevant market information and technical expertise to improve the quality and cost of CAM produced by the One-Pot process at the Candiac facilities to meet SMM customer requirement.

Being the first CAM producing investor in Nano One, SMM has taken a leadership position in seeking to transform the battery materials supply chain for electric vehicle, industrial and renewable energy storage applications. SMM's investment builds on past investments in Nano One from mining companies and governments and could accelerate LFP adoption, demand and business opportunities for the Companies. In the future, the Companies intend to evaluate and negotiate a longer-term partnership in the form of a joint-venture and/or a licensing agreement for large scale production of LFP, NMC and other CAM formulations using Nano One's One-Pot process in Asia (excluding China) and other global jurisdictions such as Europe, North America and the Indo-Pacific region.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any state securities laws and may not be offered or sold within the United States or to US Persons (as defined in the US Securities Act) unless registered under the US Securities Act and applicable state securities laws or an exemption from such registration is available.

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**About Nano One®**

Nano One Materials Corp. (Nano One) is a clean technology company with a patented, scalable and low carbon intensity

industrial process for the low-cost production of high-performance lithium-ion battery cathode materials. With strategic collaborations and partnerships, including automotive OEMs and strategic industry supply chain companies like BASF, Umicore and Rio Tinto. Nano One's technology is applicable to electric vehicles, energy storage, and consumer electronics, reducing costs and carbon intensity while improving environmental impact. Nano One aims to pilot and demonstrate its technology as turn-key production solutions for license, joint venture, and independent production opportunities, leveraging Canadian talent and critical minerals for emerging markets in North America, Europe, and the Indo-Pacific region. Nano One has received funding from SDTC and the Governments of Canada and British Columbia.

For more information, please visit **www.nanoone.ca**

**About Sumitomo Metal Mining**

Sumitomo Metal Mining Co., Ltd. (SMM) dates back to 16th Century Copper Mining and Processing in Japan. SMM is an integrated producer covering from mineral resources development, smelting & refining, to the production of battery materials and functional materials. By connecting the core businesses, it has advantages in sustainable value chains. SMM has expertise, deep knowledge and many years of experience in producing various types of precursor cathode active material/cathode active material and aims to increase the production capacity of cathode materials (nickel CAM and LFP) from approximately 60,000 tonnes per annum currently to 180,000 tonnes per annum by 2030.

For more information, please visit https://www.smm.co.jp/en/

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***Cautionary Notes and Forward-looking Statements***

*Certain information contained herein may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking information in this news release includes, but is not limited to: the closing of the financing and related transaction, the approval by the Exchange for the financing; the development of technology, supply chains, and plans for construction and operation of cathode production facilities; successful collaboration with SMM; industry demand; successful current and future collaborations that are/may happen with OEM's, miners or others; the functions and intended benefits of Nano One's technology and products; the development of Nano One's technology and products; achieving commercial production of LFP and pilot scale production of NMC at the Candiac facility; Nano One's licensing, supply chain, joint venture opportunities and potential royalty arrangements; the purpose for expanding the Candiac facilities and scalability of developed technology; and the execution of Nano One's plans – which are contingent on support and grants. Generally, forward-looking information can be identified by the use of terminology such as 'believe', 'expect', 'anticipate', 'plan', 'intend', 'continue', 'estimate', 'may', 'will', 'should', 'ongoing', 'target', 'goal', 'encouraged', 'projected', 'potential' or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the current opinions and estimates of management as of the date such statements are made are not, and cannot be, a guarantee of future results or events. Forward-looking statements are subject to known and unknown risks,*

*uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Nano One to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including but not limited to: general and global economic and regulatory changes; next steps and timely execution of Nano One's business plans; the development of technology, supply chains, and plans for construction and operation of the Candiac facility; industry demand; successful current or future collaborations that may happen with OEM's, miners or others; the execution of Nano One's plans which are contingent on support and grants; Nano One's ability to achieve its stated goals; the commercialization of Nano One's technology and patents via license, joint venture and independent production; anticipated global demand and projected growth for LFP batteries; and other risk factors as identified in Nano One's MD&A and its Annual Information Form dated March 29, 2023, both for the year ended December 31, 2022, and in recent securities filings for Nano One which are available at www.sedar.com. Although management of Nano One has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Nano One does not undertake any obligation to update any forward-looking statements or forward-looking information that is incorporated by reference herein, except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.*

**SOURCE:** Nano One Materials Corp.