

Nano One Awarded \$18 Million From the Government of Québec to Support Low Cost, High Efficiency and Cleaner LFP Cathode Production at Its Candiatic Facility

written by Raj Shah | December 9, 2024

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Funding Highlights:

- C\$15M loan from Québec's Ministry of Economy, Innovation and Energy through its mandated organization Investissement Québec.
- C\$3M grant from Québec's Ministry of Environment, the Fight Against Climate Change, Wildlife and Parks.
- Funding will be used to support piloting and increase production capacity at the Candiatic plant.
- Helps secure over 40 skilled jobs and set the stage for leadership in LFP, a cathode chemistry first commercialized in Québec over 20 years ago.
- Government funding supplements US\$12.9M grant awarded to Nano One by US DoD on Sep 30, 2024.

Nano One® Materials Candiatic, a wholly-owned subsidiary of Nano One® Materials Corp. ("Nano One" or the "Company"), a cleantech company with a patented process for the low-cost, low-GHG

production of lithium-ion battery cathode active materials, has been granted C\$18 million in financing from the Government of Québec, which includes a C\$15 million loan from the Ministry of the Economy, Innovation and Energy (MEIE) through its mandated organization Investissement Québec, and a C\$3 million grant from the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP), through its Technoclimat program. This funding will enable the continuation of piloting and commercialisation of the One-Pot™ process, in addition to increasing production capacity of the Candiatic plant.

The C\$15 million loan directly supports approximately \$63.4 million of eligible expenditures between January 1, 2023, through December 31, 2026, at Nano One's lithium iron phosphate (LFP) production facility in Candiatic, Québec. Nano One estimates C\$30 million of eligible expenditures have been incurred to date. The loan repayment period begins 60 months after first disbursement and will be repaid over a subsequent 60-month period.

The \$3M grant also reimburses expenses incurred at the Candiatic facility, and is directed towards a transition to cleaner and more efficient manufacturing.

Mr. Dan Blondal, CEO of Nano One said *"We are grateful to the Government of Québec for its leadership and support of the battery industry and the emerging LFP market, and for recognizing Nano One's commitment to piloting and commercializing our technology in the province. We made a pivotal acquisition in Candiatic, Québec, on November 1, 2022, of North America's only existing LFP production facility and have since integrated its highly experienced team. Candiatic is positioned as a center of excellence to support larger scale production facilities and a localized supply chain that also reduces the environmental footprint of batteries, and we are*

delighted to be leading this in Québec.”

The funds apply to some of the expenses incurred during the construction and operation of the company’s 200 tpa piloting line that was successfully commissioned in 2023, and for capacity expansion planned at the facility in 2025 and 2026.

Québec’s contributions to Nano One’s Cadiac facility complement the US\$12.9 million in non-dilutive funding awarded to Nano One by the U.S. Department of Defense on September 30, 2024 which is similarly directed towards capacity expansion expenses at the Cadiac facility. Support from Québec and the US Government accelerates trials, demonstration and commercialization. This support reinforces Nano One and Québec as leaders in the emerging North American lithium-ion battery supply chain for Electric Vehicles (EV’s), Energy Storage Systems (ESS), and defense applications.

The benefits of One-Pot mainly attribute to the elimination of the iron and phosphate precursor steps (pCAM) by integrating them with the lithium addition step (CAM), high efficiency thermal processing, and the elimination of sodium sulphate wastewater. This has the potential to reduce complexity, costs, footprint, and energy intensity compared to incumbent processes. One-Pot enabled facilities could also be easier to site, permit, construct, operate and be decoupled from foreign supply chains of concern. Depending on energy sources and jurisdiction, there could also be a [reduction of GHG emissions by up to 50%](#) compared to incumbent methods of producing LFP CAM, as outlined in a full life cycle assessment carried out by Minviro in 2023.

“By investing \$18 million in the Nano One pilot plant project, we are giving ourselves the means to strengthen Québec’s expertise in the manufacturing of Québec green batteries. It’s with initiatives like these that our government continues to

position Québec as a leader in this sector of the future for our energy transition and our economy.”

Christine Fréchette, Minister of the Economy, Innovation and Energy and Minister responsible for Regional Economic Development

“Our government is proud to support innovative projects like Nano One’s, which are part of our commitment to electrifying the economy to achieve our energy transition objectives. This project will help make Québec a leader in the rapidly expanding battery industry, and position it as a global market leader.”

Benoit Charette, Minister of the Environment, Climate Change, Wildlife and Parks

“Nano One is one of the few manufacturers of LFP-type CAMs in North America, and we are privileged to welcome its pilot plant here in Cadiac. This is excellent news for the development of our regional expertise in the battery industry, but above all for the vitality of our economy in the Montérégie region.”

Christian Dubé, Member of Parliament for La Prairie and Minister of Health

“The establishment of the Nano One pilot plant is a structuring project that will boost Québec’s battery industry thanks to a competitive and very promising technology. Investissement Québec is proud to support innovative companies like Nano One so that they can reach their full potential while contributing to the development of strategic sectors of our economy.”

Bicha Ngo, President and CEO of Investissement Québec.

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About Nano One®

Nano One® Materials Corp. (Nano One) is a clean technology company changing how the world makes cathode active materials for lithium-ion batteries. Applications include electric vehicles (EVs), stationary energy storage systems (ESS), and consumer electronics. The Company's patented One-Pot process reduces costs, carbon intensity (lower GHGs), environmental footprint, and reliance on problematic supply chains. Scalability is proven and being demonstrated at Nano One's LFP (lithium-iron-phosphate) pilot production plant in Québec-the only facility and expertise of its kind outside of Asia. Strategic collaborations and partnerships with international companies like Sumitomo Metal Mining, Rio Tinto, and Worley are supporting a global growth strategy via technology licensing and joint ventures. Nano One has received funding from the Government of the United States, the Government of Canada, the Government of British Columbia and the Government of Québec. The company is leveraging deep industry expertise and plans to license and deploy cleaner cathode manufacturing plant design packages-delivering cost-competitive and faster-to-market battery materials solutions world-wide.

For more information, please visit nanoOne.ca.

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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: receipt of the total amount of announced anticipated funding from the government of Québec and Ministry of Environment; the success in the marketing and deployment of the cathode manufacturing plant design packages; the development of technology, supply chains, and plans for expansion and operation of cathode production facilities; the Company's current and future business and strategies; the intention to grow the business, operations, revenues, and potential activities of the Company; industry demand and adoption; sales of LFP and potential offtake commitments; competitive conditions; general economic conditions; the functions and intended benefits of Nano One's technology and products; the development of the Company's technology, supply chains and products; scalability of developed technology; current and future collaboration engineering, and optimization research projects; the successful and timely commencement of a commercialization phase; the purpose for expanding its facilities; the Company's licensing, joint venture opportunities and/or potential royalty arrangements; the Company's potential eligibility and benefit from recent global regulatory decisions; continued innovation on manufacturing processes, equipment and recycling; successful execution of the Company's milestones; and the acceleration and execution of the Company's plans – which are contingent on support, grants and long-term support from the Company's shareholders. 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', '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 the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including but not limited to: successful conclusion and receipt of the total amount of announced anticipated funding from the Government of Québec and Ministry of Environment; the success in the marketing and deployment of the cathode manufacturing plant design packages; general and global economic and regulatory changes; next steps and timely execution of the Company's business plans; the development of technology, supply chains, and plans for construction, scale-up and operation of cathode production facilities; successful current or future collaborations that may happen with OEM's, miners or others; successful execution of the Company's milestones; the execution of the Company's plans which are contingent on support and grants; the Company's ability to achieve its stated goals; the commercialization of the Company's technology and patents via license, joint venture and independent production; anticipated global demand, adoption 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 27, 2024, both for the year ended December 31, 2023, and in recent securities filings for the Company which are available at www.sedarplus.ca. Although management of the Company 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. The Company

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. Please note that any links provided to third party websites are for informational purposes only. The Company does not endorse or take responsibility for the content, accuracy, or any other aspect of these websites. Additionally, the Company is not liable for any damages or loss arising from the use or access of any third party website linked to from our platform. Viewers should exercise their own discretion and review the terms of use and privacy policies of any third party website before accessing or interacting with their content.