Nano One Provides Quarterly Progress Update and Reports Q1 2022 Results

written by Raj Shah | May 13, 2022

May 13, 2022 (Source) – Nano One® Materials Corp. (TSX: NANO) (OTC Pink: NNOMF) (FSE: LBMB) ("Nano One" or the "Company") is a clean technology company with patented processes for the low-cost, low-environmental footprint production of high-performance cathode materials used in lithium-ion batteries. Nano One has filed its financial results and operations overview for the first fiscal quarter ended March 31, 2022 and is pleased to provide the following highlights from Q1 2022.

Q1 Highlights and Headlines

- Working capital of ~$48.6 million; cash of ~$48.7million
- Growing LFP demand and opportunity
- Additional Government funding for M2CAM® and Thermal Processing initiatives
- Successful progress in Co-Development Agreement with CBMM
- Successful completion of engineering studies

Corporate Updates for Q1

LFP Opportunity

On March 24, 2022, the Company provided an update on the emerging LFP opportunity. LFP demand is being driven by automotive OEMs and other markets pushing for a localized and diversified battery supply chain in North America, Europe and India. Nano One has an innovative method of making LFP, using the One-Pot process, which is simpler, lower cost and it eliminates the need for the iron phosphate intermediate used in

China, making it competitive and uniquely adaptable to North American and European-based supply chains. It also improves on the environmental footprint and could make Québec and Canada world leaders in LFP and other types of cathode materials. Nano One is excited to be building a team of engineers and market specialists in British Columbia and tapping an experienced talent pool in Québec.

Funding to Advance M2CAM® and Thermal Processing Initiatives

On March 3, 2022, the Company announced that it will be receiving advisory services and funding of up to $404,000 from the National Research Council of Canada Industrial Research Assistance Program ("NRC-IRAP") to support a research and development project to advance its M2CAM® technology and thermal processing innovations. The project will further advance cost optimization of the One-Pot Process for the manufacture of CAM, specifically as it relates to use in metal feedstocks enabled by Nano One's M2CAM® technology and innovations in the final stage of thermal processing.

Successful Completion of Phase One of Co-Development Agreement with Niobium Producer CBMM

On February 15, 2022, the Company announced that it has successfully completed Phase One of its advanced lithium-ion battery cathode materials coating development agreement with CBMM, the world's leading supplier of niobium products and technology. Nano One has successfully demonstrated the use of CBMM's niobium to form a protective coating on Nano One's single nanocrystal NMC cathode active material. This coating is designed to enhance durability, and the success on this first milestone strengthens the supply chain relationship between CBMM and Nano One while providing yet another demonstration of the flexibility of Nano One's patented One-Pot process.

Phase One applied the niobium coating technology to NMC811 cathode active material and the next two phases will focus on the niobium coating of even higher nickel NMC. This will include scaling of the One-Pot coating technology to demonstrate commercial viability and validate the supply chain. Together, CBMM and Nano One are developing an integrated and differentiated supply chain for niobium coated single crystal cathode materials.

Engineering Study Supports the Benefits of the One-Pot Process and M2CAM

On January 24, 2022, the Company announced the successful completion of an industrial scale engineering study conducted by Hatch Ltd. (“Hatch”) a leading global engineering firm. This is another important step forward in Nano One’s efforts to bring the latest innovations in cathode manufacturing technology through scale-up towards commercialisation. The study supports that Nano One’s patented One-Pot M2CAM® process offers both environmental and potential economic benefits when compared to conventional cathode manufacturing processes.

The engineering study set out to compare the conventional sulfate process for manufacturing CAM with Nano One’s One-Pot M2CAM® process for nickel rich cathode materials. Conventional cathode manufacturing produces approximately 1.8 times more weight in sodium sulfate waste than it does in CAM product, whereas Nano One’s process produces no waste. It is estimated the One-Pot M2CAM® process also reduces water consumption by approximately 60% prior to recycling. Further, the Hatch work supports that the Nano One’s process significantly reduces the number of process steps to get to a single crystal coated cathode active material helping reduce costs and create efficiencies. The report estimates competitive economics for Nano One and its One-Pot process over conventional cathode

processes and identifies opportunities for further cost savings, despite One-Pot having over 20-years less industrial optimization. Work is already underway on further optimizations.

Q1 Financial Position and Results

- Gross expenditures on research activities of ~$1,700,000 (Q4 2021 – ~$800,000) (Q1 2021 – ~$800,000)
- Purchases and/or deposits on corporate and laboratory equipment of ~$300,000 before allocations of government grant funding as reimbursements
- Net use of cash of ~$3,900,000 to facilitate operational and strategic efforts
- Total assets of ~$51,400,000 (December 31, 2021 – ~$55,400,000)
- Total liabilities of ~$1,400,000 (December 31, 2021 – ~$1,600,000)

Cash inflows included exercises of stock options and warrants for total proceeds of ~$60,000, and proceeds from Government programs of ~$68,000.

For a more detailed discussion of Nano One's first quarter and year to date 2022 results, please refer to the Company's financial statements and management's discussion & analysis, which are available at www.sedar.com.

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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. The technology is applicable to electric vehicle, energy storage, consumer electronic and next generation batteries in the global

push for a zero-emission future. Nano One's One-Pot process, its coated nanocrystal materials and its Metal to Cathode Active Material (M2CAM®) technologies address fundamental performance needs and supply chain constraints while reducing costs and carbon footprint. Nano One has received funding from various government programs and the current "Scaling of Advanced Battery Materials Project" is supported by Sustainable Development Technology Canada (SDTC) and the Innovative Clean Energy (ICE) Fund of the Province of British Columbia. For more information, please visit **www.nanoone.ca**.

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‘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: any future collaborations that may happen with partners such as Euro Manganese or any others that may occur; the Company’s ability to achieve its stated goals; the commercialisation of the Company’s technology and patents; the execution of the Company’s plans, development of materials, methods of production and study for pre-pilot, pilot and scaled up manufacturing on the path to commercialisation; and other risk factors as identified in Nano One’s MD&A and its Annual Information Form dated March 28, 2022, both for the year ended December 31, 2021, and in recent securities filings for the Company which are available at www.sedar.com. 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

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