

Nano One Provides Quarterly Progress Update and Reports Q2 2023 Results

written by Raj Shah | August 10, 2023

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Q2 2023 Highlights and Headlines

- Working capital of \$30.0 million; cash of \$34.4 million
- Completion of Phase Two of Co-Development Agreement with CBMM
- Joint Development Agreement with Our Next Energy (ONE)
- Advancement of Commercial Plans for LFP
- Six new patents issued and allowed in Canada, United States, and Japan
- Proceeds of ~\$3.0M from the exercise of stock options

Nano One® Materials Corp. (“Nano One” or the “Company”) is a clean technology company with patented processes for the production of lithium-ion battery cathode materials that enable secure and resilient supply chains by driving down cost, complexity, energy intensity, and environmental footprint. Nano One has filed its condensed interim consolidated financial statements (the “financial statements”), and management’s discussion & analysis (“MD&A”) as at and for the six months ended June 30, 2023 (“Q2 2023”) and is pleased to provide the following highlights from Q2 2023.

Corporate Milestones for Q2 2023

Joint Development Agreement with Our Next Energy (ONE)

On June 14, 2023, the Company announced signing a Joint Development Agreement (JDA) with ONE to collaborate on the validation, qualification, and production of a North American supply of lithium iron phosphate (LFP) cathode active materials (CAM). The LFP CAM will be produced at Nano One's 200 tpa pilot facility in Candiac, Québec, for validation in ONE's production LFP cells used in its Aries and Gemini batteries, with the goal of a binding offtake agreement and expansion into future production facilities.

Successful Completion of Phase Two of Co-Development Agreement with CBMM

On May 17, 2023, the Company announced the successful completion of phase two of the co-development work with CBMM, the world's leading supplier of Niobium products and technology. Phase two successfully utilized CBMM's Niobium product to make coated nanocrystal high nickel (Ni>90%) NMC cathode active material. Enhanced durability was displayed using Nano One's proprietary One-Pot process and Metal to Cathode Active Material (M2CAM®) technology.

This achievement opens new doors of opportunity for the two companies to market and cross-collaborate with their existing customer bases to create market pull both for Nano One's patented technology and develop a new market for CBMM's sustainable, high-quality product. This also adds a secure and resilient supply chain partner to Nano's list of qualified automotive supply chain.

Advancement of Commercial Plans for LFP

On July 20, 2023, further to an update provided on April 24, 2023, the Company provided an update on its commercial plans

which are aimed at jumpstarting the commercialization of its One-Pot process. To expedite commercial sampling, offtake and first revenues, the Company's Candiac facility in Québec is being retrofitted with its new One-Pot reactors and will be recommissioned initially at 200 tons per annum ("tpa") in Q3 2023, ramping up in steps to 2,000 tpa in 2024, and 10,000 tpa thereafter in a new and adjacent facility.

Nano One also has engineering work underway for a separate 100 tpa NMC and LNMO pilot facility. Having piloting capabilities for LFP, NMC and LNMO will enable Nano One to prototype, validate, design, and pilot a new generation of CAM and accelerate the commercial adoption of its One-Pot and sulfate-free M2CAM processes in pursuit of production, joint venture and licensing opportunities.

The Company reported that its lithium iron phosphate (LFP) trials, One-Pot reactors, sampling and pilot production plans are being expedited as previously outlined, and that initial engineering plans for its first full scale commercial plant are nearing completion. Nano began successfully producing tonne-sized batches in Q2 2023 using the existing commercial scale equipment. In parallel Nano is installing smaller modular One-Pot reactors, engineered and built in Québec with the aim of conducting smaller trials, evaluating new reactor designs and fast-tracking plans.

Six New Patents Issued and Allowed in Canada, United States, and Japan

Nano One also announced significant progress on key technologies with 6 new patents that are approved for issuance, or have issued, in Canada, United States, and Japan, bringing its global total to 33. In large part to ongoing support from Government of Canada programs, Nano One continues to extend the Canadian IP

landscape and its own protections, all while growing economic activity.

Q2 2023 Financial Position and Results

- Working capital of \$30.0 million; cash of \$34.4 million
- Total assets of \$52.6M (Q1 2023 – \$56.9M)
- Total liabilities of \$7.4M (Q1 2023 – \$7.5M) with no long-term debt
- Net use of cash and cash equivalents of \$5.7M
- Proceeds from exercises of stock options ~\$3.0M
- Total investment (capitalized and expensed) on at its Candiatic plant including equipment, retrofitting, engineering, and expansion totalled \$3.4M (\$4.3M year-to-date)

For a more detailed discussion of Nano One's interim Q2 2023 results, please refer to the Company's financial statements, and MD&A 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. 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. The Company 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

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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 Company’s future business and strategies; industry demand; anticipated joint development programs; incurrence of costs; competitive conditions; general economic conditions; estimated future working capital, funds available, and uses of funds, and future capital expenditures and other expenses for specific operations; intellectual property protection; industry demand; the functions and intended benefits of Nano One’s technology and products; the development of the Company’s technology, supply chains and products; current and future collaboration engineering, and optimization research projects; plans for construction, scale-up and operation of a multi cathode piloting hub; prospective partnerships and the anticipated benefits of the Company’s partnerships; the Company’s licensing, supply chain, joint venture opportunities and potential royalty arrangements; the purpose for expanding

its facilities; and scalability of developed technology; and the execution of the Company'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', '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: 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; achievement of industrial scale piloting, demo commercial production and potential revenues; successful current or future collaborations that may happen with OEM's, miners or others; 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 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 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 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.