Nano One Provides Quarterly Progress Update and Reports Q3 2023 Results

written by Raj Shah | November 9, 2023

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Q3 2023 Highlights and Headlines

- Strategic investment and Collaboration Agreement with Sumitomo Metal Mining (SMM)
- Cash position of $26.0 million at quarter end ($43.0 million post-SMM strategic investment)
- Working capital of $22.0 million at quarter end ($39.0 million post-SMM strategic investment)
- Pre-Feasibility Study Completed for One-Pot LFP Production Lines
- LFP from Commercial Size Reactors and Customer Samples Delivered

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 nine months ended September 30, 2023 (“Q3 2023”) and is pleased to provide the following highlights from Q3 2023.

Corporate Milestones and Developments for Q3 2023

Strategic Investment and Collaboration Agreement with Sumitomo Metal Mining

On October 5, 2023, Nano One and Sumitomo Metal Mining Co., Ltd. (“SMM”, together with Nano One, the “Companies”) closed a transaction whereby the Companies agreed to a strategic equity investment in Nano One by SMM of approximately $17,000,000 and entered into a collaboration agreement under which the Companies will work together to accelerate the commercial production of lithium iron phosphate (“LFP”), cathode active materials (“CAM”) and nickel-rich CAM chemistries, such as lithium nickel manganese cobalt oxide (“NMC”). SMM is a leading vertically integrated miner, refiner and producer of CAM.

Nano One issued a total of 5,498,355 common shares (the “Shares”), representing approximately 5% of the current issued and outstanding Shares of Nano One, at $3.07 per Share ($16,879,950) 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.

Pre-Feasibility Study of One-Pot LFP Production Lines Completed

On October 23, 2023, the Company announced the completion of its Front-End Loading (FEL) 2 pre-feasibility study with Hatch Ltd., which estimates that the capacity for a One-Pot LFP production line is 12,500 tonnes per annum (“tpa”) and that two such lines (25,000 tpa) could be built within a 167,000 sq. ft. building, making it more efficient in size, footprint, and capital cost than other commercial methods of making LFP.

Nano One is actively exploring site locations for its expansion plans, including but not limited to its existing site in Candiac, Québec, and is engaged with governments in various jurisdictions where access to financial incentives and technology attraction programs could further increase shareholder value and stakeholder interests.

LFP from Commercial Size Reactors and Customer Samples Delivered

On September 14, 2023, the Company announced that recent One-Pot trials in the existing reactors at the Candiac plant have produced LFP at commercial scale with performance results consistent to lab scale. Nano One has leapfrogged to full commercial size reactors and its LFP can be shipped to select customers for evaluation.

With Nano One's existing commercial reactors, it has continued to optimize trials in the existing commercial scale reactors, reproducing lab and development results. This demonstrates the One-Pot process can scale to commercial volumes and advances the de-risking of the technology at commercial scale. This rapid advancement allows commercial scale LFP samples to be sent to qualified customers, for thorough evaluation and validation for the purposes of entering binding offtake agreements.

Q3 2023 Financial Position and Results

- Cash position at quarter end of $26.0 million, plus approximately $17.0 million subsequently raised through a strategic equity investment by SMM resulting in a cash position post-SMM investment of $43.0 million
- Working capital at quarter end of $22.0 million ($39.0 million post-SMM investment)
- Total assets of $46.0M (pre-SMM investment) at quarter end
- Total liabilities of $7.4M with no long-term debt at

quarter end
- Net use of cash and cash equivalents of $8.4M for the quarter ($13.4M year-to-date)
- Total gross investment (capitalized and expensed) before allocations of government funding on at its Candiac plant including equipment, retrofitting, engineering, and expansion totalled $8.6M (year-to-date)

Annual budgeting planning activities are underway, with a base shelf prospectus to be filed following standard company governance practices to fund expansion plans.

For a more detailed discussion of Nano One's interim Q3 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 Sumitomo Metal Mining, 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 current and future business and strategies; estimated future working capital, funds available, and uses of funds, future capital expenditures and other expenses for commercial operations; results of the FEL 2 pre-feasibility study and timely completion of the FEL 3 study; industry demand; potential offtake commitments; projected revenue generation; ability to obtain employees, consultants or advisors with specialized skills and knowledge; joint development programs; incurrence of costs; competitive conditions; general economic conditions; the intention to grow the business, operations and potential activities of the Company; the functions and intended benefits of Nano One's technology and products; the development and optimization of the Company's technology and products; the commencement of a commercialization phase; 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 the Candiac facilities; the scalability of developed technology

to meet expanded capacity; access to skilled labour, permits, and provincial and municipal utilities; and the execution of the Company's stated plans – which are contingent on access to capital 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 and operation of cathode production facilities; 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.