Nano One Provides Shareholder Update with Key Objectives for 2024

written by Raj Shah | February 5, 2024

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Highlights:

- Commercialization plan on target and advancing with partners.
- One-Pot process targeting energy storage and EVs in North America and globally.
- Collaborative work with partners on track with NMC and LFP.
- Validation of LFP proceeding with multiple potential customers targeting offtake agreements.

Nano One® Materials Corp. (“Nano One or the “Company”) is a clean technology company with a patented process for the production of lithium-ion battery cathode active materials (CAM) that enable secure and resilient supply chains by driving down cost, complexity, energy use and environmental footprint. Nano One is pleased to provide commentary from CEO Mr. Dan Blondal on the Company’s progress towards its long-term objectives.

Commentary from Dan Blondal, CEO and Founder

In the context of the current capital market conditions for our sector and Company, I want to assure our valued shareholders and the broader investment community, that Nano One continues to

execute successfully on its business plans. Our institutional shareholder base remains confident, supportive and in for the long haul. I have recently spoken to many retail shareholders to spotlight our leadership position, our continual progress, and the successful execution of our milestones. We are well capitalized and spending prudently to secure offtakes and long-term value creation for our shareholders. The cornerstone of our long-term planning is built around effective capital sourcing, maintaining flexibility to meet market opportunities and thinking creatively about how we can maximize the company's full potential.

Our lithium iron phosphate (LFP) team has more piloting and production experience than any outside of Asia. Our pilot plant in Candiac, Québec, is commissioned and already producing samples, some at the tonne-scale, for potential offtakers, big and small, all looking for locally sourced LFP for their energy storage, defense, industrial and electric vehicle batteries. We continue to see a large and diverse market opportunity for LFP and based on our actions over the last five years, we are well positioned to be a leader in the field.

Our potential customers and government stakeholders are fully engaged and working with us every day to accelerate the adoption of our One-Pot process. Our collaborators and shareholders at Rio Tinto and Sumitomo Metal Mining are world-class and with us for the long-haul to disrupt, drive change and create long-lasting commercial opportunities on the path to net-zero. Our scientific and engineering activities are producing a growing portfolio of intellectual property and process technology advancements, not only for nickel, manganese, cobalt (NMC) and LFP materials, but increasingly in recycling and battery metal processing. This is synchronized with piloting, procurement and commercialization initiatives and continuously advancing Nano One's strategic objectives.

Our One-Pot process makes LFP with less green house gas (GHG), energy, water, waste and physical footprint than incumbent processes. This positions us ideally for North America, Europe and Asia where the need for localization and environmental stewardship are interwoven with the need for global competitiveness. Our chemical flowsheet eliminates wastewater and sodium-sulphate by-product; if left unaddressed it will be a major hindrance to the global adoption of lithium-ion batteries because of the wasteful processes that currently dominate incumbent supply chains.

One-Pot also enables untapped local sources of class 1 automotive-approved, readily available and readily scalable critical mineral inputs. This has the strategic benefit of decoupling critical inputs from entrenched but increasingly unreliable supply chains in Asia. Our Design-Once Build-Many growth strategy is gaining critical momentum at a time when the world needs turn-key solutions to address a looming and unprecedented amount of LFP demand. Our full scale LFP feasibility study could be complete by mid-year with engineering, flowsheets, major equipment, permitting and capex estimates in place to help fulfill our project financing, capacity expansion, licensing, and joint-venture ambitions.

Furthermore, Nano One could potentially benefit from recent decisions in the United States relating to the Inflation Reduction Act (IRA) and Foreign Entities of Concern (FEOC). It is important to know that while Nano One's business strategy does not rely on IRA policy, we are engaged with governments to ensure we are optimally positioned and accessing their financial support. As background, the emerging policies are now geared to leverage global expertise and accelerate the local production of lithium-ion battery cells, while securing critical mineral supply chains for domestic applications and enabling countries with free-trade agreements to participate in the emerging US

lithium-battery market. This is particularly important for LFP because it will bring much needed cell production on-line faster. This will in turn require localized cathode production. Enter Nano One with a low-cost waste-free LFP process who's critical mineral inputs, lithium, iron and phosphorus, can be uniquely sourced from existing and scalable producers with IRA eligibility.

We also remain engaged with governments in Canada who have helped secure tens of billions of dollar's worth of cell manufacturing plants. Governments and industry remain committed to developing an effective, integrated supply chain and supporting innovative, local companies. Based on our publicly disclosed partners and emerging ones, coupled with our past support and ongoing conversations with governments, we believe we could help unlock a new era of integrated supply chains for lithium-ion batteries.

Simply put, Nano One's vision to Change How the World Makes Battery Materials has traction on many fronts, at a critical time in history, when there is a generational opportunity in regions all over the globe, to build economically, logistically and environmentally differentiated lithium-ion battery supply chains.

Our growth into Québec in 2022 has accelerated our path to commercialization well ahead of competitive LFP initiatives, and it is enabling growth that could position Nano One, Québec and Canada as leaders in the emerging LFP market which is projected to reach 10s of billions of dollars over the coming decade[1]*.*

2023 Successful Milestones

In 2023 the Company made significant gains by completing its first full year of ownership of the Candiac LFP production

facility. The team was able to quickly recommission the facility to test and pilot its One-Pot process in full scale equipment for the production of LFP. These activities have showcased the patented One-Pot process working at commercial scale, attracted the world class investment and partners below, and have positioned Nano One to lead the localized supply of LFP cathode materials for the emerging market in LFP batteries.

Accomplishments include:

- Awarded $10M in grant funds from SDTC. (News Release)
- Successfully completed evaluations with global OEM and expanded collaboration. (News Release)
- Laid out commercialization plans for LFP and other materials. (News Release)
- Signed JDA with Our Next Energy, ONE, for LFP batteries. (News Release)
- Demonstrated, de-risked and fast-tracked tonne scale sampling of One-Pot LFP. (News Release)
- Secured $17M investment and collaboration with Sumitomo. (News Release)
- Completed pre-feasability study (FEL2) of 12,500 tpa line. (News Release)
- Showcased LCA study with 50% fewer GHGs and 80% less water. (News Release)
- OEM validates Nano One LFP and kicks off tonne-scale evaluations. (News Release)

2024 Catalysts

- Progress on strategic partnerships, in Canada, US and their free-trade partners.
- Small-scale but important sales of LFP for existing Candiac facility.

- Build a portfolio of offtakes to support future commercial plant demand.
- Growth plans and sight lines to license and joint venture partnerships.
- Feasibility study (FEL3) to support launch of first LFP facility and broader Design-Once Build-Many initiatives.
- Government and financial agreements to support first plant and broader growth plans.
- Business development in energy storage solutions (ESS) and automotive sectors.
- Continued innovation on manufacturing processes, equipment and recycling.

Dan Blondal said, *"I want to thank Nano One shareholders and stakeholders for their support and trust, and for staying tuned in to Nano One – we believe 2024 will be another transformative year, with long-term shareholder value creation and sightlines to production, growth, licensing and revenues coming into increasingly important focus."*

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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; the intention to grow the business, operations, revenues and potential activities of the Company; funds available, uses of funds, and future capital expenditures and other expenses for specific operations; 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; successful and timely completion of a full scale LFP feasibility study; the successful and timely commencement of a commercialization phase; successful validation of LFP products; prospective partnerships with customers and the

anticipated benefits of the Company's partnerships; the purpose for expanding its facilities; the Company's licensing, supply chain, joint venture opportunities and/or potential royalty arrangements; the Company's potential eligibility and benefit from recent regulatory decisions in the United States relating to the Inflation Reduction Act and Foreign Entities of Concern; continued innovation on manufacturing processes, equipment and recycling; launch of first LFP facility and broader "turn-key" productions solutions; business development in energy storage solutions and automotive sectors; 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: 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; incurrence of costs; successful current or future collaborations that may happen with OEM's, miners or others; the Company's potential eligibility and benefit from recent

regulatory decisions in the United States relating to the Inflation Reduction Act and Foreign Entities of Concern; continued innovation on manufacturing processes, equipment and recycling; launch of first LFP facility and broader "turn-key" productions solutions; business development in energy storage solutions and automotive sectors; 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 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.

[1] Demand data from Benchmark Mineral Intelligence Q2 2023 Lithium Ion Battery Database, pricing assumes the prior 6 months' average from Benchmark's 2023 Monthly Cathode

Assessments.