Nano One Provides Progress Update on the Successful Integration of Candiac LFP Operation

written by Raj Shah | January 19, 2023

Highlights

- ***One-Pot trials commencing and decommissioning of unused equipment progressing.***
- ***Functional re-org implemented to align innovation and commercialization centres.***
- ***Completed integration of Candiac team and facility, focus now on post-merger activities.***
- ***Focusing on meeting market demand while harnessing government support.***

January 19, 2023 (Source) – Nano One® Materials Corp. ("Nano One" or the "Company"), a clean technology company focused on the production of cathode materials used in lithium-ion batteries, is pleased to provide an update on the reorganization of the combined teams, and the transformation of the Candiac lithium iron phosphate ("LFP") facility to the One-Pot process, following completion of the acquisition previously announced on November 1, 2022.

Mr. Denis Geoffroy, Chief Commercialization Officer said, *"The team at Candiac has tremendous experience in LFP, having developed two different processes, built the first and only LFP plant in North America and operated it for 10 years. Adding the cost and environmental benefits of the One-Pot process, they are*

excited to be pioneering a new generation of LFP to have a meaningful impact in the energy transition. We have re-organized Nano One to align everyone with our strategic objectives, are happy with the progress on integration, and are executing successfully on our LFP commercialization plans with the aim of providing long-term value to our supportive shareholders."

Leveraging the deep experience of the Quebec operational team, action plans are being implemented to convert the Candiac facility to Nano One's patented One-Pot process to accelerate the commercialization of Nano One's LFP technology. Candiac assets and know-how will help design turn-key systems to address, and align with, projected global LFP cathode market demand. This will support America's efforts to '*friendshore*' battery supply chain production through the Inflation Reduction Act ("IRA") and other international initiatives.

LFP trials with the One-Pot technology will start in January 2023. Initial plant preparations are complete, including process hazard studies, for the use of the existing commercial scale reactors for larger scale trials beginning in Q1 2023. Results from this work will provide Nano One with valuable insights for the next stage of trials, pilot production and advanced engineering. Large One-Pot reactors have been designed and ordered, with installation, integration and commissioning expected in Q3 2023 for industrial pilot scale LFP production. This builds on existing development work and supports evaluation and validation work with potential customers. Certain equipment in the Candiac facility will not be needed for the One-Pot process and is currently being decommissioned and removed, while procurement of new equipment is ongoing. Nano One has initiated a third-party evaluation of the assets that will be used for the industrial pilot and is planning to sell unneeded equipment in the One-Pot process.

All raw materials ordered for the first trials have now been received on site and small quantities will be utilized for training purposes before advancing to larger volumes.

The Candiac plant is currently the only existing LFP production facility in North America. It consists of an 80,000 square foot production plant and the most experienced LFP operational team in the world, outside of China. The plant and team are located 20 km outside of Montréal, in Candiac, Québec, and are strategically aligned with Canada's "Mines to Mobility" initiative.

Business Development Bank of Canada (BDC), as previously announced, is working with Nano One on the continued integration of the Candiac and Burnaby teams, and objectives for the first 3 months are substantially complete, on-time and on-budget. The work has been well informed, collaborative and aligned with business plans, and it has led to a smooth transition as Candiac transforms to the One-Pot process and as Burnaby takes on valuable scale-up and production know-how. The integration team is proud to announce that all staff have been retained and that employee know-how in both facilities is complimentary, accretive and mutually aligned with Nano One's strategic objectives and will provide long-term stakeholder value.

"I am pleased to report that these first few months of integration have gone as well as we had anticipated, thanks to careful planning, collaboration, experience and focus," said Chief Operating Officer, Alex Holmes. *"The newly combined team benefits from common goals, a culture of learning and are building on the richness of each other's experiences."*

With at least eight[1] auto OEM's publicly stating they are using, or are about to use, LFP, the world is already witnessing the rise of LFP cathode in cells as a major segment of the

lithium-ion battery market. Canada's "Mines to Mobility" plan and America's IRA are two examples of government support and policy imperatives to shift the manufacturing of electric vehicles, energy storage, their battery components, materials and critical minerals to domestic markets and like-minded nation partners. Nano One's Candiac team and facility are key building blocks in this transformation and are being positioned to change how the world makes battery materials.

Mr. Holmes continued "We are leveraging our know-how and advanced technology to address the inherent scale-up challenges of a Terawatt hour world. Until now, LFP batteries have been known for their low cost, safety and longevity, but with Nano One's innovations, we believe we can lead the transformation of the domestic LFP supply chain by further driving down cost, supply chain risk, energy intensity and environmental footprint for the cleanest, greenest and most secure supply chain on the planet."

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. It employs approximately 120 people at its innovation and commercialization hubs in British Columbia and Québec, including the only LFP plant and production team in North America. It has strategic collaborations and partnerships, that include Rio Tinto, BASF, Umicore, CBMM and various automotive OEMs.

Nano One's technology is applicable to electric vehicles, energy storage, consumer electronics and next generation batteries in the global push for a zero-emission future. Its One-Pot process, its coated single crystal materials, and its Metal to Cathode

Active Material (M2CAM®) technologies address fundamental performance needs and supply chain constraints; they also reduce equipment and raw material costs, operating expenses, and carbon intensity; and they eliminate a significant waste stream for a much-improved environmental footprint.

The Company aims to pilot and demonstrate its technology as turn-key CAM production solutions for license, joint venture and independent production opportunities. This leverages Canadian talent, critical minerals, renewable energy, and a thriving ecosystem with access to large emerging markets in North America, Europe and the Indo-Pacific region. Nano One has received funding from the Government of Canada and Government of British Columbia.

For more information, please visit **www.nanoone.ca**

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contingent on support and grants, and the commercialization of the Company's technology and patents. 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', 'encouraged', 'projected', '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 28, 2022, both for the year ended December 31, 2021, and in recent securities filings for the Companies 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] Based on data compiled by the Company.

SOURCE: Nano One Materials Corp.