

Nano One Provides Quarterly Progress Update and Reports Q3 2021 Results

written by Raj Shah | November 11, 2021

November 11, 2021 ([Source](#)) – Nano One® Materials Corp. (**TSX: NANO**) (**OTC Pink: NNOMF**) (**FSE: LBMB**) (“Nano One”) 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 announces its financial results and operations overview for the third fiscal quarter ended September 30, 2021 and is pleased to review the following highlights from Q3 2021.

Q3 Highlights and Headlines

- Working capital of ~\$54.0 million; cash of ~\$54.6 million
- MOU with global automotive OEM to evaluate manganese rich cathode materials
- Joint development agreement with Euro Manganese for the development of high-purity manganese in lithium-ion battery cathode materials
- Completion of SDTC and BC-ICE Milestone 2 and receipt of Milestone 3 funds
- Engaged global engineering firm, Hatch, to lead an engineering study for expanded cathode evaluation project with a global automotive company

“Nano One continues to advance opportunities with our partners in the battery supply chain and in this past three months we have added a few more strategic relationships,” commented Mr. Dan Blondal, CEO. *“We have business dealings on many fronts around the globe, including opportunities to enable low cost*

integrated domestic supply chains in North America and Europe that with the use of our technologies could increase competitiveness, reduce environmental footprint and add value to critical mineral supplies.”

Corporate Updates for Q3 and Post-Q3 2021

Transition in LFP Strategy and Accelerate ZEV Alliance Membership

On November 9, 2021, the Company announced a transition in its LFP cathode material focus towards emerging opportunities in domestic supply chains in North America and Europe, to create a secure, integrated and cost competitive solution that reduces environmental footprint.

Joint Development Agreement signed with Euro Manganese

On October 4, 2021, the Company announced the signing of a Joint Development Agreement with Euro Manganese Inc. (“Euro Manganese”), a battery raw materials company developing a significant manganese deposit in the Czech Republic.

The two companies will collaborate on developing economically viable and environmentally sustainable applications of high-purity manganese expected to be produced by Euro Manganese from its proposed Chvaletice Manganese Project. The manganese will be evaluated by Nano One in the formation of its innovative cathode materials including LNMO (lithium nickel manganese oxide) and nickel-rich NMC (lithium nickel manganese cobalt oxide). LNMO and NMC materials will be prepared using Nano One’s patented One-Pot process, coated nanocrystal powders and M2CAM technology, enabling the use of sulfate-free metals and lithium carbonate as lower cost and environmentally more sustainable feedstocks.

Completion of 2019 Cathode Development Project with Global Automotive Company and New Agreement

On September 30, 2021, the Company announced the completion of a project with a global automotive OEM (Original Equipment Manufacturer), that was first announced on June 20, 2019 and the two parties have signed a Memorandum of Understanding (“MOU”) to evaluate manganese-rich cathode materials for potential use in automotive scale battery cells.

The completed project successfully demonstrated the synthesis, performance, and improved durability of a proprietary and experimental nickel-rich cathode formulation, using Nano One’s patented One-Pot process. The MOU is for the multi-phase development and evaluation of LNMO batteries using cathode materials prepared by Nano One. Work under the MOU will include performance testing, economic feasibility and future potential commercial collaboration for jointly developed battery cells using Nano One’s advanced LNMO cathode materials.

Completion of SDTC and BC-ICE Milestone 2 and Receipt of Milestone 3 Funds

On September 9, 2021, the Company announced the achievement of Milestone 2 of the “Scaling Advanced Battery Materials” project jointly funded by SDTC and the British Columbia Innovative Clean Energy (BC-ICE) fund. Consequently, the advance funding for project Milestone 3, in the amount of \$1,652,859 in aggregate has been received.

Appointment of new independent Director to the Board

Effective September 7, 2021, Mr. Gordon Kukec was appointed as an independent Director to the Board of the Company.

Industrial Scale Engineering Study Added to Automotive Project

On August 17, 2021, the Company announced that its cathode evaluation program with a global automotive company has expanded in respect of the evaluation of NMC/LNMO cathode materials. The increased scope will include an engineering report that models cathode manufacturing at an automotive scale based on Nano One's patented One-Pot process, coated nanocrystal, and M2CAM technologies.

Nano One has engaged global engineering firm, Hatch Ltd., to lead an engineering study and provide a report to the automotive company. The report will be based on the engineering study being prepared for Nano One, and will include a Front-End Loading level 1 (FEL1) analysis on capital costs, operating costs, and a cost comparison of the Nano One process versus the conventional cathode material manufacturing process. The report will enable the companies to evaluate both the economic and environmental advantages of Nano One's patented One-Pot, M2CAM and coated nanocrystal process technologies at large industrial scale.

Q3 Financial Results and Operational Highlights

- Gross expenditures on research activities of ~\$1,000,000 (Q2 2021 – ~\$800,000) (Q3 2020 – ~\$600,000)
- 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 ~\$700,000 (net of cash inflows from investing and financing activities of ~\$200,000) to facilitate its operating and strategic efforts (Q2 2021 – increase in cash of ~\$25,000,000 driven by short-form prospectus financing during the previous quarter)

Cash inflows from investing and financing activities included exercises of stock options and warrants for total proceeds of ~\$145,000, and proceeds from Government assistance programs of approximately ~\$1,673,000 which was substantially from

Sustainable Development Technology Canada (“SDTC”) and primarily attributable to the Milestone 3 advance. Subsequent to September 30, 2021, the Company received proceeds of approximately ~\$126,000 through the exercise of an additional 76,750 warrants.

The Company continues significant research efforts towards the Frame Cooperation Agreement (“FCA”) executed with CBMM (May 2021 with a term of 27 months through to August 2023), the world’s major supplier of niobium, aimed at optimizing Nano One’s patented One-Pot process for nickel-rich cathode materials (NMC) using CBMM’s niobium as a protective coating.

Additionally, there are significant efforts relating to the Joint Development Agreement signed with an Asian cathode manufacturer (August 2020) which is focused on LNMO cathode materials with work shifting to scale-up considerations, detailed economic analysis, and preliminary planning for commercialization. Significant progress was also made in LNMO scale-up and optimization. Lastly, the Company is also progressing scaling efforts relating to the Cathode Evaluation Agreement (December 2020) with an American based multinational auto manufacturer to jointly evaluate the performance and commercial benefit of Nano One’s patented One-Pot process for nickel-rich and cobalt-free cathode materials (NMC) in electric vehicle applications.

For a more detailed discussion of Nano One’s third quarter and year to date 2021 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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pre-pilot, pilot and scaled up manufacturing on the path to commercialization which are contingent on such support and awards 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', '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 commercialization 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 commercialization; and other risk factors as identified in Nano One's MD&A and its Annual Information Form dated March 15, 2021, both for the year ended December 31, 2020, 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

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