

NEWS RELEASE

Nano One Awarded US\$12.9M by US Department of Defense to Support the Expansion of North American LFP Production at Candiac Facility

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Highlights:

- DPA Title III office awards US\$12.9M (~CA\$17.8M) to Nano One.
- Supports capacity expansion at Candiac LFP production and Burnaby R&D facilities.
- Expands LFP industrial base and strengthens energy security in North America.
- Bolsters use of existing plant footprint, innovative technology and know-how.
- Builds on other grants, funding, partnerships and sales pipeline.

Nano One® Materials Corp. ("Nano One" or the "Company"), a clean technology company with a patented process for the low-cost, low-GHG production of lithium-ion battery cathode active materials (CAM), is pleased to announce that it has been awarded US\$12.9 million (~CA\$17.8 million) by the Department of Defense (DoD) of the United States of America (USA) through the Defense Production Act Investments (DPAI) office's Title III program.

The project will support work underway at the company's facilities in Burnaby, British Columbia, and Candiac, Québec, and is effective for the period from July 1, 2024 through 2026. The funds will expand capacity at Nano

Nano One's Candiac, Québec location, which is North America's only lithium iron phosphate (LFP) production facility. The award is broadly focused on improving energy security by accelerating the formation of a resilient industrial base and LFP battery supply chain in the United States and Canada. The project also addresses the energy security requirements of the defense sector by supporting product validation and potential sales with customers that include, as previously disclosed, suppliers to the US government.

"Nano One is committed to resilient battery materials supply chains in North America," said Dan Blondal, CEO and Founder of Nano One, "and commends the US Department of Defense for its support across the lithium-ion battery sector. These funds build on our existing assets in Candiac and other sources of capital to accelerate our partnerships, sales pipeline and commercialization plans while enhancing value for our collaborators and shareholders. DoD's due diligence not only confirms emerging market demand for LFP and its importance to a strong industrial base for energy security, but also recognizes Nano One for its deep know-how, its strategic objectives and for the advantages of its One-Pot LFP production process."

The Government of Canada has also recognized the emerging importance of the LFP supply chain by placing lithium, phosphorous and high-purity iron on the Critical Minerals list.¹

The global market has seen a decisive shift towards LFP technology, which offers significant advantages in terms of cost, safety, security of supply, and environmental impact compared to traditional lithium nickel manganese cobalt oxide cathode materials. LFP is suited to high-volume, heavy-duty applications in stationary energy storage systems (ESS) and electric vehicles (EV). In China's local market, LFP batteries accounted for 65% of the country's total battery output in the first six months of 2023.² Globally, China dominates approximately 95% of the world's LFP production capacity.³ North America and other jurisdictions are responding to this competitive threat and preparing for similar levels of demand by supporting companies like Nano One and first-of-a-kind technologies that can help establish reliable, secure and independent supply chains.

Nano One's patented One-Pot process eliminates wastewater treatment and upstream chemical conversion steps by combining the production of precursor CAM (pCAM) and CAM. These innovations drive down cost, energy intensity and environmental permitting challenges at an industrial scale; could enable free-trading sources of raw material inputs; and could accelerate the adoption of LFP for stationary ESS and EV applications in North America.

Government of Canada, Government of Canada Releases Updated Critical Minerals List, June 2024. Available at:
<https://www.canada.ca/en/natural-resources-canada/news/2024/06/government-of-canada-releases-updated-critical-minerals-list.html>

Fastmarkets, LFP Batteries Extend Dominance Over NCM Batteries in China. Available at:

<https://www.fastmarkets.com/insights/lfp-batteries-extend-dominance-over-ncm-batteries-china>

International Energy Agency (IEA), Global EV Outlook 2024, Page 80. Available at:

<https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf>

Nano One Background

Nano One saw the emerging LFP opportunity in mid-2021 and began executing on a strategy that led to its pivotal acquisition in Q4 2022, of a 10-year-old LFP production facility in Candiac, Québec and the integration of its highly experienced team (<https://nanoone.ca/news/nano-one-to-acquire-johnson-matthey-battery-materials-canada/>). The plant was repurposed to pilot and demonstrate the Company's One-Pot LFP process at a commercially valid scale. The waste handling systems at the facility were no longer needed and subsequently decommissioned, freeing up space for the installation and commissioning of 200 tpa One-Pot reactors.

The Candiac facility is now being used to facilitate demonstration, sampling and evaluation while also informing FEL design studies and its process engineering design package (LFP CAM Package). It provides a distinct advantage in North America as it can produce cathode materials at commercially relevant scale today and with the support of these Defense Production Act Title III funds, capacity can be expanded to advance the Company's customer validation, production and technology licensing objectives.

Nano One's long-range plan is to license and deploy LFP CAM Packages globally and to diversify its revenue streams with licensing fees, engineering services and equipment procurement, and LFP sales from its plant in Candiac. Target licensees include EV, battery and chemical producing companies in the EV and ESS sectors.

- <https://nanoone.ca/news/nano-one-and-worley-sign-license-and-alliance-agreements-to-jointly-develop-market-and-deploy-cathode-plant-design/>
- <https://nanoone.ca/news/nano-one-and-worley-provide-insights-into-strategic-partnership-and-market-opportunities-in-cathode-active-materials-production/>

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About Nano One®

Nano One® Materials Corp. (Nano One) is a clean technology company changing how the world makes cathode active materials for lithium-ion batteries. Applications include electric vehicles (EVs), stationary energy storage systems (ESS), and consumer electronics. The Company's patented One-Pot process reduces costs, carbon intensity (lower GHGs), environmental footprint, and reliance on problematic supply chains. Scalability is proven and being

demonstrated at Nano One's LFP (lithium-iron-phosphate) pilot production plant in Québec—the only facility and expertise of its kind outside of Asia. Strategic collaborations and partnerships with international companies like Sumitomo Metal Mining, Rio Tinto, and Worley are supporting a global growth strategy via technology licensing and joint ventures. Nano One has received funding from the Government of Canada, the Government of the United States and the Government of British Columbia. The company is leveraging deep industry expertise and plans to license and deploy cleaner cathode manufacturing plant design packages-delivering cost-competitive and faster-to-market battery materials solutions world-wide.

For more information, please visit nanoOne.ca.

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: receipt of the total amount of announced funding during the term of the DoD project; the development of technology, supply chains, and plans for expansion and operation of cathode production facilities; the Company's current and future business and strategies; the intention to grow the business, operations, revenues, and potential activities of the Company; 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; the successful and timely commencement of a commercialization phase; the purpose for expanding its facilities; the Company's licensing, joint venture opportunities and/or potential royalty arrangements; the Company's potential eligibility and benefit from recent global regulatory decisions; continued innovation on manufacturing processes, equipment and recycling; 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: successful conclusion and receipt of the total amount of announced funding during the

term of the DoD project; 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; successful current or future collaborations that may happen with OEM's, miners or others; 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 27, 2024, both for the year ended December 31, 2023, and in recent securities filings for the Company which are available at www.sedarplus.ca. 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. Please note that any links provided to third party websites are for informational purposes only. The Company does not endorse or take responsibility for the content, accuracy, or any other aspect of these websites. Additionally, the Company is not liable for any damages or loss arising from the use or access of any third party website linked to from our platform. Viewers should exercise their own discretion and review the terms of use and privacy policies of any third party website before accessing or interacting with their content.

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