September 25, 2023

SMM to Make Strategic Investment in Battery Cathode Material Technology Developer Nano One

Collaboration on Producing Technology for Electric Vehicle Battery Material

Sumitomo Metal Mining Co., Ltd. (TSE: 5713, "SMM") is pleased to announce that it has reached an agreement to make strategic investment in Nano One Materials Corporation (TSX: NANO, "Nano One"), a technology company with patented processes for the sustainable production of lithium-ion battery cathode materials, and to undertake joint development of manufacturing technology for battery cathode materials for electric vehicles (EVs), among other collaborative work.

The amount to be invested is 16.9 million Canadian dollars (approximately 1.9 billion JPY *), and Nano One will issue a total of 5,498,355 common shares (the "Shares"), representing approximately 5% of the current issued and outstanding Shares of Nano One on the closing of the investment. This is the first time that a producer of cathode active materials (the "CAM") has invested in Nano One.

The CAM is one of the four main materials for batteries and is the most expensive and significant component. Nano One possesses unique CAM production technology, called the One-Pot Process. This technology reduces process complexity, resulting in fewer process steps and lower CAPEX and OPEX compared to current technology. Nano One's One Pot technology will enable CAM production at a lower cost and environmental impacts than current technology.

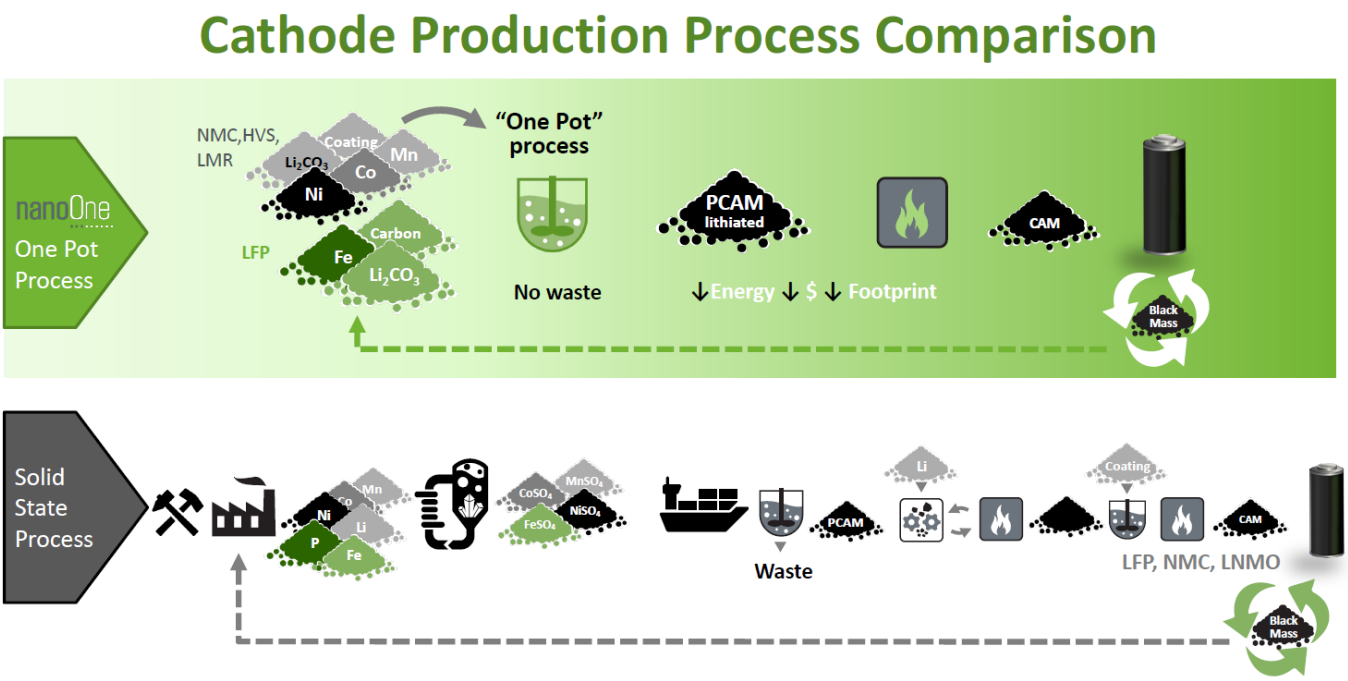
The aim of this joint development work will be to achieve a low-cost, low environmental impact production process for lithium iron phosphate (LFP) CAM and nickel-rich CAM chemistries, such as lithium nickel manganese cobalt oxide ("NMC"). by integrating Nano One technology into SMM's production process. SMM will also seek other collaborations with Nano One in the field of CAM production, including collaborations such as the establishment of a joint venture and licensing agreements.

SMM produces and sells CAM for vehicle batteries. In accordance with market demand, it aims to increase monthly CAM production capacity from the current approximately 5,000 tonnes to 7,000 tonnes in FY2025, 10,000 tonnes in FY2027 and 15,000 tonnes in FY2030; in terms of annual capacity, from the current approximately 60,000 tonnes to 84,000 tonnes in FY2025, 120,000 tonnes in FY2027 and 180,000 tonnes in FY2030.

Through this strategic investment and joint development, we are engaging in initiatives toward the further expansion of our battery materials business and becoming a company that

proactively undertakes countermeasures for climate change by reducing emissions and providing a stable supply of products to contribute to a low-carbon society and a future with zero greenhouse gases as laid out in the Climate Change of SMM's Material Issues in its Vision for 2030.

*When calculated with an exchange rate of 111 JPY to 1 Canadian dollar.



The process using Nano One's own unique technology and the current standard process for cathode material (provided by Nano One)