

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the “United States”), and may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” (as such term is defined under the U.S. Securities Act) or persons in the United States (each, a “U.S. Person”), unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Nano One Materials Corp. at Unit 101B, 8575 Government Street, Burnaby, BC V3N 4V1, telephone 1 (604) 420-2041, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

October 14, 2020



NANO ONE MATERIALS CORP.

\$10,000,080
3,676,500 Units

PRICE: \$2.72 per Unit

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of up to 3,676,500 units (the “**Units**”) of Nano One Materials Corp. (“**Nano One**” or the “**Company**”) at a price of \$2.72 per Unit (the “**Offering Price**”) for gross proceeds of up to \$10,000,080 (the “**Offering**”). Each Unit consists of one common share (each, a “**Common Share**”) and, as a constituent of a Unit, a “**Unit Share**”) of the Company and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase one Common Share (each a “**Warrant Share**”) at an exercise price of \$3.55 at any time for a period of two (2) years following the Closing Date (as defined herein). The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on or before the Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”), as warrant agent. See “*Description of Securities Being Distributed – Warrants*”.

The Units will be offered for sale on a “best efforts” agency basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) to be entered into among the Company and Eight Capital and Gravititas Securities Inc. (collectively, the “**Agents**”). The terms of the Offering, including the Offering Price, were determined by arm’s length negotiation between Nano One and the Agents in the context of the market. See “*Plan of Distribution*”.

	<u>Price to the Public (\$)</u>	<u>Agents' Fee⁽¹⁾ (\$)</u>	<u>Net Proceeds to the Company⁽²⁾ (\$)</u>
Per Unit	2.72	0.1632	2.5568
Total ⁽³⁾⁽⁴⁾	10,000,080.00	600,004.80	9,400,075.20

Notes:

- (1) Pursuant to the Agency Agreement, the Company has agreed to (a) pay to the Agents, on the Closing Date, a cash commission (the “**Agents’ Fee**”) equal to 6% of the gross proceeds of the Offering (or \$0.1632 per Unit) including, for greater certainty, the gross proceeds of the Over-Allotment Option (as defined herein), if any, and (b) issue to the Agents’ purchase warrants (the “**Broker Warrants**”), exercisable to acquire, within two (2) years of the Closing Date, in the aggregate, that number of Common Shares (the “**Broker Shares**”) equal to 8% of the number of Units sold under the Offering including, for greater certainty, any Units sold on the exercise of the Over-Allotment Option, if any, at an exercise price equal to the Offering Price. In addition, the Company has agreed in certain circumstances to pay the Agents, on the Closing Date, a fee (the “**Corporate Finance Fee**”) equal to 1.5% of the gross proceeds of the Offering, payable in Common Shares (the “**Corporate Finance Fee Shares**”) with a deemed value per share equal to the Offering Price. See “*Plan of Distribution*”.
- (2) After deducting the Agents’ Fee, but before deducting the expenses of the Offering, estimated to be \$250,000 (exclusive of taxes), which will be paid from the gross proceeds of the Offering. Whether or not the Offering is completed, the Company has agreed to reimburse the Agents’ for all costs and expenses incurred in connection with the Offering, including the legal fees and disbursements of the Agents’ legal counsel. See “*Plan of Distribution*”.
- (3) The Company has granted the Agents an option (the “**Over-Allotment Option**”) to purchase up to an additional 551,475 Units at the Offering Price, exercisable from time to time, in whole or in part, at any time on or before 2:00 p.m. (PST) on the 30th day following the Closing Date, for the purpose of satisfying over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total Offering, the Agents’ Fee and net proceeds to the Company (after deducting the Agents’ Fee but before deducting the expenses of the total Offering) will be \$11,500,092.00, \$690,005.52 and \$10,810,086.48, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Units (including the Unit Shares and Warrants underlying such Units) issued upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agents’ over-allocation position acquires those Units under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.
- (4) Assuming no exercise of the Over-Allotment Option.

Unless the context otherwise requires, references herein to the “Offering”, “Units”, “Unit Shares”, “Warrants” and “Warrant Shares” include the Units, Units Shares, Warrants, and Warrant Shares issuable upon the exercise of the Over-Allotment Option. See “*Plan of Distribution*”.

The issued and outstanding Common Shares in the capital of the Company are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “NNO”. On October 13, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$2.96. The Company will apply to list the Unit Shares, the Warrant Shares, the Broker Shares, and the Corporate Finance Fee Shares distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “*Risk Factors*”.

The following table sets out the maximum number of securities under options issuable to the Agents in connection with the Offering:

Agents’ Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option ⁽¹⁾	551,475 Units	On or before 2:00 p.m. (PST) on the 30 th day following the Closing Date	\$2.72 per Unit
Broker Warrants ⁽³⁾	338,238 Broker Warrants ⁽²⁾	Within two (2) years of the Closing Date	\$2.72 per Broker Warrant
Corporate Finance Fee Shares ⁽³⁾	63,420 Corporate Finance Fee Shares ⁽²⁾	N/A	N/A

Notes:

- (1) This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Units, Unit Shares and Warrants issued upon exercise of the Over-Allotment Option. See “*Plan of Distribution*”.

- (2) Assuming the exercise in full of the Over-Allotment Option.
- (3) This Prospectus qualifies the distribution of the Broker Warrants and the Corporate Finance Fee Shares as well as the Broker Warrants and the Corporate Finance Fee Shares issuable in connection with the exercise of the Over-Allotment Option, if any.

Unless the context otherwise requires, when used herein, all references to the “Offering”, “Units”, “Unit Shares”, “Warrants”, “Warrant Shares”, “Agents’ Fee”, “Broker Warrants”, “Corporate Finance Fee Shares” and “Over-Allotment Option”, assumes the exercise in full of the Over-Allotment Option and includes all securities issuable thereunder.

There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may be completed after raising only a small proportion of the offering amount set out above.

Investing in the Units is speculative and involves significant risks and should only be made by persons who can afford the total loss of their investment. You should therefore carefully review this Prospectus and the documents incorporated by reference herein in their entirety and carefully consider the risk factors described under the section “Risk Factors” in this Prospectus and under the headings “Introductory Notes – Cautionary Note Regarding Forward-Looking Information” and “Risk Factors” in the AIF (as defined herein) before purchasing the Units.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. Neither the Company nor the Agents have authorized anyone to provide investors with different information. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or the time of any sale of securities offered hereunder. The securities offered hereunder may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of any offer to buy the securities offered hereunder where it is unlawful.

A prospective purchaser of Units should read this entire prospectus, including the documents incorporated herein by reference, and consult with its own legal, tax and other professional advisors to assess the income tax, risks, and other aspects of an investment in the Units. The Offering is not underwritten or guaranteed by any person or agent. The Agents are conditionally offering the Units on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement described under the section entitled “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Agents by Wildeboer Dellelce LLP.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. There can be no assurance that any or all of the Units being offered will be sold. Closing of the Offering is expected to take place on or about October 30, 2020, or on such other date as may be agreed upon by the Company and the Agents, but in any event not later than 90 days after the date of the receipt for the final short form prospectus related to the Offering (the “**Closing Date**”).

It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form or will otherwise be delivered to the Agents registered as directed by the Agents, on the Closing. Except in certain limited circumstances, a purchaser of Units will receive only a customer confirmation from the Agents or registered dealer from or through whom the Units are purchased and who is a CDS depository service participant (a “**Participant**”). CDS will record the Participants who hold Unit Shares and Warrants comprising the Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

The Units, the Unit Shares, the Warrants, and the Warrant Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents, through their United States registered broker-dealer affiliates, may not offer and sell the Units except: (a) in an “offshore transaction,” as such term is defined in Regulation S under the U.S. Securities Act (“**Regulation S**”), outside the United States to non-U.S. Persons in accordance with Rule 903 of Regulation S; or (b) in the United States to, or for the account or benefit of, persons in the United States or U.S. Persons to Qualified Institutional Buyers (as such term is defined in Rule 144A under the U.S. Securities Act) purchasing pursuant to the exemption from the registration requirement of the U.S. Securities Act under Rule 144A and in compliance with similar exemptions under applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. See “*Plan of Distribution*”.

Subject to applicable laws, the Agents may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

Mr. Joseph Guy, a director of the Company, resides outside of Canada and has appointed Nano One Materials Corp., 101B - 8575 Government Street, Burnaby, British Columbia V3N 4V1 as his agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "*Risk Factors*".

The registered office of the Company is located at 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3. The head and principal office of the Company is located at 101B - 8575 Government Street, Burnaby, British Columbia V3N 4V1.

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GENERAL MATTERS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company and the Agents have not authorized anyone to provide investors with additional or different information. The Company and the Agents take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide prospective purchasers. Information contained on, or otherwise accessed through, the Company's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference, despite any references to such information in this Prospectus or the documents incorporated by reference herein, and prospective purchasers should not rely on such information when deciding whether or not to invest in the Units. Other than this Prospectus in electronic format, the information on the Agents' website and any information contained in any other website maintained by the Agents or their affiliates is not part of this Prospectus, has not been approved and/or endorsed by the Company or the Agents and should not be relied upon by prospective purchasers.

The Company and the Agents are not offering to sell the Units in any jurisdictions where the offer or sale of the Units is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Units. The business, financial condition, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with the Offering.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and prospective purchasers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

All references herein to "\$" are to Canadian dollars unless otherwise specified.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company and the Agents believe these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. Neither the Company nor the Agents have independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain certain "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**"), within the meaning of applicable Canadian securities laws, which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. All information, other than statements of historical facts, included in this Prospectus that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of each such document. Forward-looking statements in this

Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the completion of the Offering and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the use of the net proceeds of the Offering;
- the performance of the Company's business and operations;
- the intention to grow the business, operations and potential activities of the Company;
- regulatory changes;
- the competitive conditions of the industry and the Company's competitive position in the industry;
- overall market growth rates and the Company's growth rates and growth strategies;
- the Company's business plans and strategies;
- the anticipated benefits of the Company's partnerships;
- the Company's licensing, supply chain and joint venture opportunities;
- the applicable laws, regulations and any amendments thereof;
- the competitive and business strategies of the Company; and
- the anticipated future gross revenues and profit margins of the Company's operations.

With respect to the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein, the Company has made assumptions regarding, among other things:

- timely receipt of the necessary regulatory (including stock exchange) approvals and other required approvals in connection with the Offering;
- the use of the net proceeds of the Offering;
- interest rates;
- operating and capital costs;
- anticipated partnerships;
- the Company's ability to access existing credit facilities and capital markets to meet its future obligations;
- opportunities available to or pursued by the Company;
- the Company's ability to attract and retain qualified personnel or management; and
- stability of general economic and financial market conditions.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Neither the Company nor the Agents can guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Company or the Agents that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Some of the risks, uncertainties and other factors, some of which are beyond the Company's control, which could cause actual results, performance or achievements of the Company, as applicable, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements contained in this Prospectus and the documents incorporated by reference herein. Such factors include, but are not limited to:

- the impact of SARS-CoV-2 coronavirus (“**COVID-19**”);
- failure to complete the Offering;
- general economic, market and business conditions in Canada and the United States, including reduced availability of debt and equity financing generally;
- risks relating to the effective management of the Company's growth;
- risks related to the Company's intellectual property applications being approved;
- the Company's ability to protect its proprietary rights from unauthorized use or disclosure;
- the ability of the Company to obtain additional financing and secure government assistance;
- the Company's limited operating history; the Company's ability to attract employees, consultants, or advisors with the necessary skills and knowledge;
- the need to comply with environmental and governmental regulations;
- the Company's ability to attract and retain customers and partners;
- the competitive nature of the industries in which the Company operates;
- competition for, among other things, capital and skilled personnel and management;
- limitations on insurance;
- failure to obtain industry partner and other third party consents and approvals when required;
- imprecision in estimating capital expenditures and operating expenses;
- fluctuations in foreign exchange and interest rates and stock market volatility;
- the Company's ability to obtain required regulatory approvals;
- political and economic conditions;
- the results of litigation or regulatory proceedings that may be brought against the Company;
- changes in income tax laws; and
- the other factors disclosed under “*Risk Factors*” in this Prospectus and in the AIF and management's discussion and analysis which are incorporated by reference herein.

The closing of the Offering could be delayed if the Company is not able to obtain the necessary stock exchange approvals or any other approvals required for completion of the Offering on the timeline it has planned. The Offering will not be completed at all if necessary approvals are not obtained or, unless waived, some other condition to the closing of the Offering is not satisfied. Accordingly, there is a risk that the Offering will not be completed within the anticipated time or at all.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this Prospectus and the documents incorporated by reference herein in order to provide potential purchasers of the Units with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Readers are cautioned that the foregoing list of factors is not exhaustive of all factors and assumption which may have been used. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company is not under any duty to update any of the forward-looking statements after the date of this Prospectus or to conform such statements to actual results or to changes in the Company's expectations and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. Accordingly, prospective purchasers should not place undue reliance on forward-looking information and statements, including the documents incorporated herein by reference, as statements containing forward-looking information involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The forward-looking information and statements contained herein are presented for the purposes of assisting prospective purchasers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with securities regulatory authorities in Canada and is available at www.sedar.com, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form (the "**AIF**") of the Company for the fiscal year ended December 31, 2019, dated September 8, 2020;
- (b) the Company's audited financial statements as at and for the fiscal years ended December 31, 2019 and 2018, together with the independent auditors' report thereon and the notes thereto (the "**Annual Financial Statements**");
- (c) the management's discussion and analysis of the financial condition and results of operations for the fiscal year ended December 31, 2019;
- (d) the Company's amended and restated unaudited interim financial statements as at and for the three and six months ended June 30, 2020 and 2019, and related notes thereto (the "**Interim Financial Statements**");
- (e) the amended and restated management's discussion and analysis of the financial condition and results of operations for the three and six months ended June 30, 2020;
- (f) the management information circular of the Company dated June 25, 2020 distributed in connection with the Company's annual and special meeting of shareholders held on July 23, 2020;
- (g) the material change report dated January 6, 2020 related to the issuance to the Company of a Taiwanese patent relating to lithium nickel manganese oxide cathode material;

- (h) the material change report dated January 16, 2020 relating to Nano One's patented coated nanocrystal innovation;
- (i) the material change report dated January 30, 2020 relating to Nano One's proposed private placement of units at a price of \$1.15 per unit for gross proceeds of up to \$5,000,000;
- (j) the material change report dated February 5, 2020 relating to the upsizing of Nano One's proposed private placement of units from gross proceeds of up to \$5,000,000 to gross proceeds of up to \$10,000,000;
- (k) the material change report dated February 10, 2020 relating to the further upsizing of Nano One's proposed private placement of units from gross proceeds of up to \$10,000,000 to gross proceeds of up to \$11,000,000;
- (l) the material change report dated February 24, 2020 relating to the closing of Nano One's private placement for gross proceeds of \$11,000,000;
- (m) the material change report dated April 7, 2020 relating to an increase in funding from Sustainable Development Technology Canada (SDTC) to the Company, from \$5,000,000 to \$5,250,000;
- (n) the material change report dated April 23, 2020 relating to positive test results for the Company's cathode tests in solid state batteries and related advancements on Nano One's cathode materials;
- (o) the material change report dated May 6, 2020 relating to the Province of British Columbia contributing \$3,033,000 of funding toward the Company's Scaling of Advanced Battery Materials Project';
- (p) the material change report dated June 4, 2020 relating to the completion of a detailed engineering report that enhances design specifications, tightens budgetary estimates and models improved economics for the commercial scale production of lithium-ion battery cathode materials using Nano One's patented process technology;
- (q) the material change report dated June 16, 2020 related to the engagement of Jett Capital Advisors, LLC as a financial advisor to evaluate opportunities for the valuation and commercialization of Nano One's technology;
- (r) the material change report dated June 24, 2020 related to the development of a coated, single crystal cathode material for lithium ion batteries that is providing up to 4 times improvement in longevity;
- (s) the material change report dated July 7, 2020 related to unusual trading activity in respect of the Company and that the Company was unaware of any change in its operations that would account for such increase in market activity;
- (t) the material change report dated July 24, 2020 related to the Company's update on recent financial events;
- (u) the material change report dated August 10, 2020 related to the Company entering into a joint development agreement with a multi-billion-dollar Asian cathode material producer; and
- (v) the material change report dated September 9, 2020 related to the Company's engagement of Mr. Robert Morris as an expert advisor on battery raw material strategies.

Any documents of the type referred to above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), business acquisition reports, marketing materials, all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the Offering will be deemed to be incorporated by

reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agents in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder, in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”) and a tax-free savings account (“**TFSA**”) (collectively referred to as “**Deferred Income Plans**”) and a deferred profit sharing plan, provided that (i) the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), and (ii) in the case of the Warrants, either (x) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV) or (y) neither the Company, nor any person with whom the Company does not deal at arm’s length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the particular Deferred Income Plan.

Notwithstanding that a Unit Share, Warrant or Warrant Share may be a qualified investment for a Deferred Income Plan as discussed above, if the Unit Share, Warrant or Warrant Share is a “prohibited investment” for the purposes of the Tax Act, the holder of a RDSP or TFSA, the subscriber of a RESP or the annuitant under an RRSP or RRIF which holds such Unit Share, Warrant or Warrant Share will be subject to penalty taxes as set out in the Tax Act. The Unit Share, Warrant or Warrant Share will be a prohibited investment for a Deferred Income Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length with the Company for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. However, a Unit Share or Warrant Share will not be a “prohibited investment” if such securities are “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by such Deferred Income Plan.

Purchasers who intend to hold Unit Shares, Warrants or Warrant Shares through a Deferred Income Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

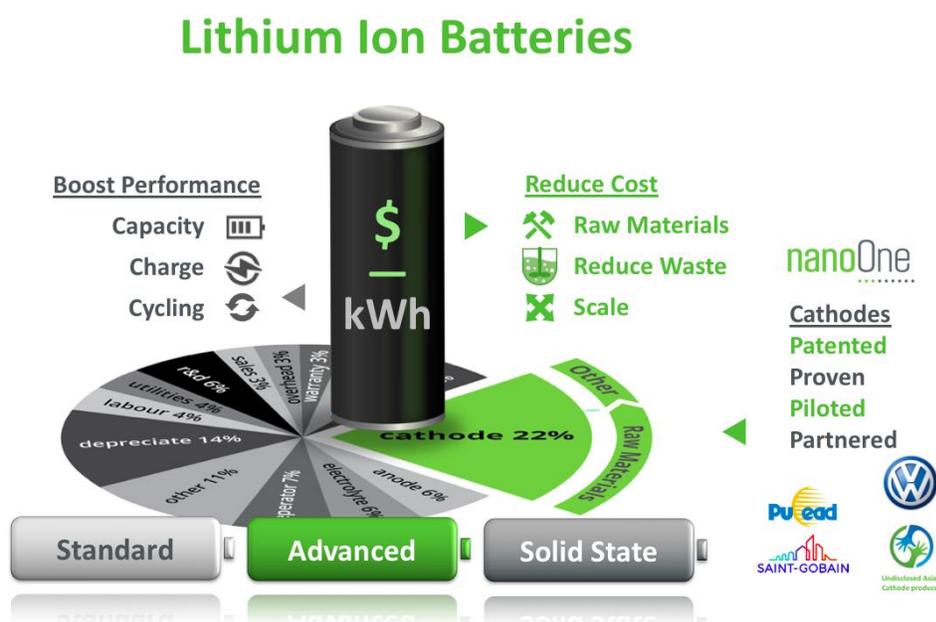
DESCRIPTION OF THE BUSINESS

Corporate Structure

The Company was incorporated under the laws of the Province of Alberta on November 5, 1987 and continued under the laws of the Province of British Columbia on September 8, 2004. On March 5, 2015, the Company completed a combination with Perfect Lithium Corp. (“PLC”), a private company incorporated in February 2011 under the laws of the Province of British Columbia, whereby it acquired all the issued and outstanding common shares of PLC in exchange for issuing Common Shares to the former shareholders of PLC. This transaction was done at a price of \$0.25 per Common Share. On July 1, 2015, the Company amalgamated with PLC and continued as one company under the name, Nano One Materials Corp. Nano One trades on the TSXV under the symbol “NNO”.

The Company’s head office is located at Unit 101B, 8575 Government Street, Burnaby, British Columbia V3N 4V1 and its registered and records office is located at 2900 - 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

Business of the Company

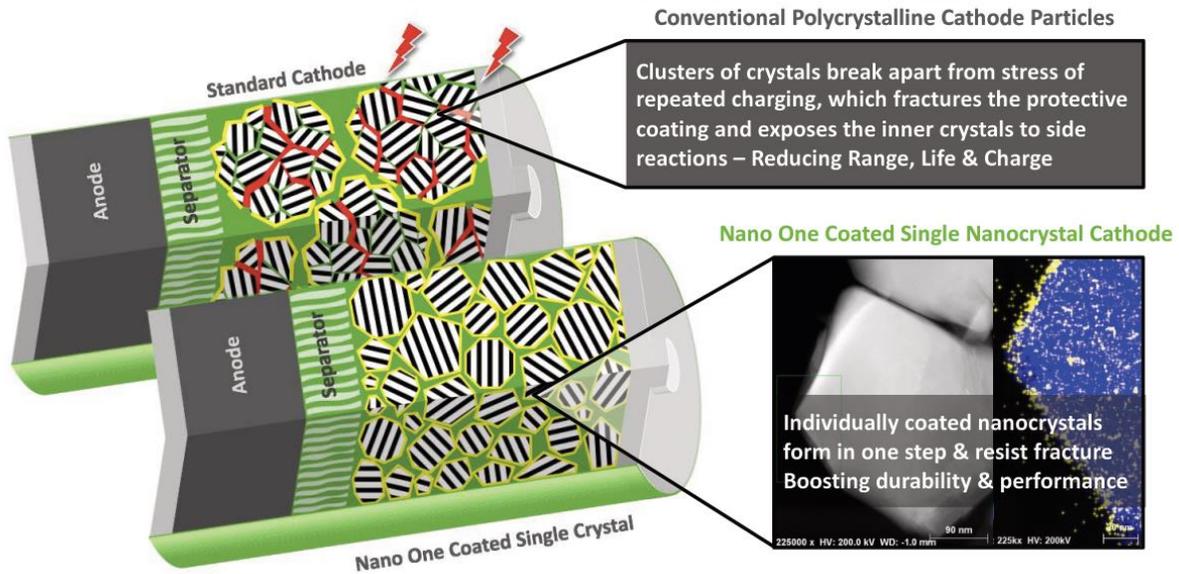


The Company has developed, patented and scaled-up an innovative one pot process for the production of cathode active materials (CAM) for lithium-ion battery applications in electric vehicles, energy storage systems, and consumer electronics. Nano One has proven its technology in the laboratory, built a demonstration pilot plant, and partnered with key automotive original equipment manufacturers (“OEMs”) and cathode manufacturers. Nano One’s technology is intended to improve the performance and cost of cathode materials, and to simplify production using environmentally sustainable processes. It is a manufacturing platform suited to many types of lithium ion cathode materials, and applies to automotive, grid storage and consumer electronic batteries, including standard, advanced and next generation solid state batteries.

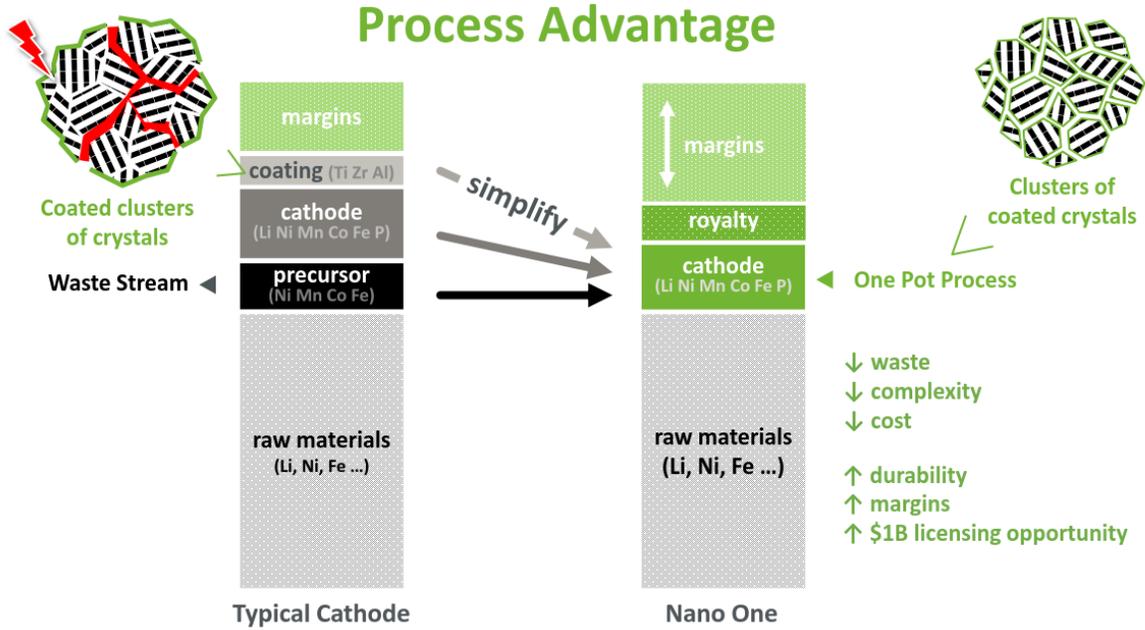
Nano One’s patented “one-pot process” (the “**One-Pot Process**”) is engineered using non-sulfate forms of metal feedstock, with the intention of eliminating sulfate waste, water consumption and added process costs. Furthermore, the process uses lithium feedstock in the form of carbonate rather than hydroxide which is costly, corrosive and harder-to-handle. The process also forms innovative coated nanocrystal cathode powders that are designed to be more durable than conventional cathode powders.

The nanocrystal innovation addresses a fundamental battery trade-off between energy density and durability. Increased durability would provide electric vehicle manufacturers greater flexibility in optimizing range, charging rates, safety, and cost. The One-Pot Process combines all input components: lithium, metals, additives, and coatings in a single reaction to produce a precursor that, when dried and fired, forms quickly into a single crystal cathode material simultaneously with its protective coating. Additional information on the Company's coated nanocrystal technology can be found on the Company's website and in the AIF, including technical updates, published results and patents granted.

Nano One Performance Advantage



In contrast, conventional cathodes are made by converting metal sulfates into a mixed metal nickel manganese cobalt (“NMC”) precursor hydroxide powder, with sulfate and water going to waste. This NMC precursor is milled with lithium hydroxide before firing in a kiln to form dense clusters of crystalline particles (polycrystalline). Protective coatings can then be formed by adding additional materials and firing again. However, crystals, within each grain of powder, contract and break apart from repeated charging, and this fractures the protective coatings and leaves individual crystals within the grains of powder exposed to side reactions. Extra time in the kiln can alleviate some of these issues, but also damages the crystal structures and adds cost.



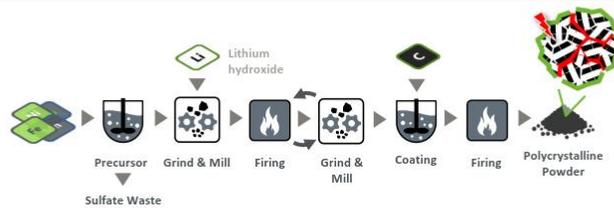
Nano One Process Advantage Details

Nano One Patented One Pot Process:

Half the Steps – No Waste



Standard Process:
 Many Steps
 Complex
 Time Consuming
 Less Sustainable



Coated clusters of crystals ↓ durability, ↓ performance
Many Steps ↑ cost
Standard feedstocks ↑ waste, ↓ sustainability

Furthermore, by increasing the ratio of nickel to cobalt in cathode materials, cobalt supply chain risks can be reduced; however, the shift to nickel-rich materials compromises cycle life and safety in the battery.¹ Coated monocrystalline cathode powders can address these problems² and the Company's coated nanocrystals provide similar improvements as evidenced through the Company's published results and portfolio of intellectual property.

These technology attributes align Nano One with the sustainability objectives of automotive companies, investment communities and governmental infrastructure initiatives. It also offers an opportunity for nickel refiners to provide

¹ H.-J. Noh et al. / Journal of Power Sources 233 (2013) 121-130.

² Jessie E. Harlow et al, Journal of The Electrochemical Society 166 (13) A3031-A3044 (2019) A3031.

environmentally and sustainability minded sources of nickel or to integrate and manufacture cost-reduced value-added cathode powders for direct supply to battery manufacturers.

Partnership Overview

Volkswagen Research Group	Pulead	About Saint Gobain	About "Asian Company"
Backbone team within Volkswagen for expansion into EVs \$66 Billion budget for hybridization and electric mobility in the next 5 years Vested interest with 22 Million EVs planned for next 10 years	One of China's leading Li-ion cathode manufacturers Large supplier of LFP for e-busses & grid storage Proven, respected licensee of Prayon, BASF & Umicore LFP growing for long range EV	400-year-old materials and solutions company based in France Works on design, manufacturing, and distributing across verticals Global presence with over 150k employees Supplier to cathode kiln mfg & users	Multi Billion \$ Cathode Mfg Looking for mfg and cathode differentiation to expand market share. Established Asian presence and supplier to major Asian Auto OEM
Collaboration Details	Joint Development Details	Joint-Development Details	Joint-Development Details
Focus on enhancing long-lasting battery materials Results and work-to-date positive Wide range of next steps	Develop and co-develop scaled production of LFP Cathode material using NNO technology NORAM engineering report complete (plant design, budget & improved economics)	Focus on enhancing high-temperature cathode processing Use of Saint Gobain's NA R&D centers and Nano One's Li-ion technology	Combine technologies for superior product for next-gen batteries JV business objective Ready and eager to advance to production

As of the date hereof, the Company holds 16 patents and has more than 30 patents pending. The Company is actively collaborating, jointly developing and/or partnered with approximately twenty companies in the lithium battery materials supply chain and is actively seeking to expand its industry partnerships and commercialization opportunities.

Currently disclosed partners include Volkswagen, Pulead, Saint-Gobain and an Asian materials producer supplying the automotive sector.

With Volkswagen, Nano One is focused on improving the durability of cathode materials using Nano One's innovative One-Pot Process and Coated Single Crystal materials. Improved durability gives automotive original equipment manufacturers like Volkswagen the ability to charge faster, drive further, extend warranties and lower the cost of long range and mass market electric vehicles. Nano One's strategy with Volkswagen is to define and create demand for a new generation of cathode materials, requiring royalty bearing rights to Nano One's intellectual property and licensing agreements with Volkswagen and/or its supply chain.

With Pulead, Nano One is focused on manufacturing innovations and plant design to improve the cost, margins and competitiveness of lithium iron phosphate ("LFP"). LFP is the safest, longest lasting and cheapest cathode material³ and is used in electric buses, fleet vehicles, and renewable energy storage; and with costs coming down, it is anticipated to replace lead acid batteries and potentially fuel a new generation of long range, long lasting electric vehicles⁴. Success in this joint development program could result in Pulead entering into a royalty bearing license agreement with Nano One for the rights to use its intellectual property for the production of LFP.

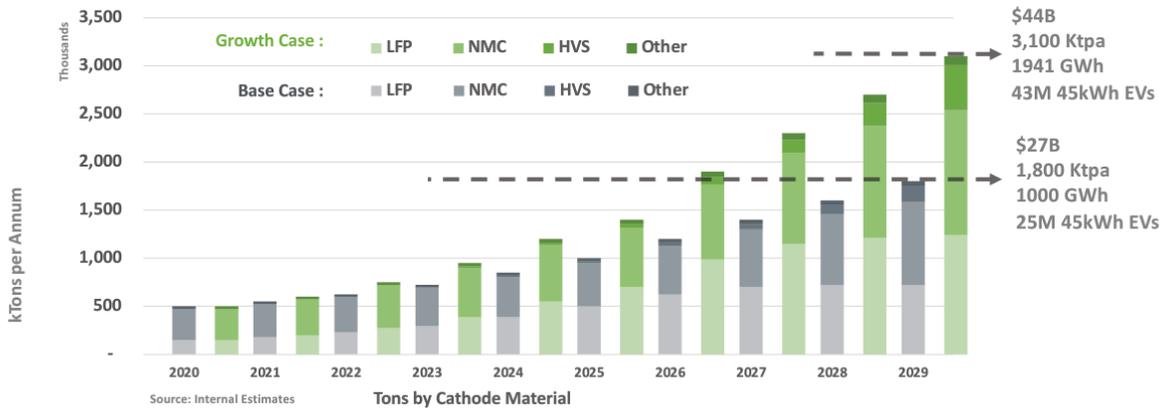
Saint-Gobain and Nano One are jointly developing technology to improve efficiencies in the final stage of cathode production, where cathode powders are conveyed through long expensive furnaces to transform them into active battery materials. A successful program could lead to Nano One and Saint-Gobain co-marketing their technologies and products for improved thermal processing of cathode active materials.

³ Manthiram, A. A reflection on lithium-ion battery cathode chemistry. Nat Commun 11, 1550 (2020). <https://doi.org/10.1038/s41467-020-15355->

⁴ <https://autotechreview.com/features/byd-blade-battery>.

Nano One signed another joint development agreement recently, with a large multinational materials producer that supplies the Asian automotive industry. Work here is focused on jointly developing the combined technologies of both companies to pursue a manufacturing opportunity, through licensing or joint venture, to supply materials for a new generation of lithium ion batteries.

Total Addressable Cathode Market



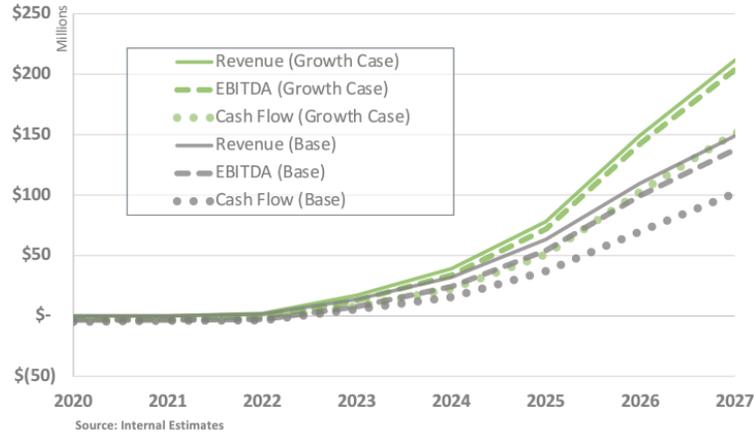
- Internally generated data for cathode active materials (CAM) based on heavy LFP adoption & conservatively low CAM pricing.
- Total Market Value based on metals estimates (LME, Lithium chemical, converter costs), blended average ~\$23/kWh and LFP/NMC/HVS energy densities of 511, 770 and 654 Wh/kg, respectively. Sources: Nano One Materials internal TAM modeling, Avicenne Energy August 2020 Report on Batteries & Raw Materials Supply (CAM Market = 700k-900ktpa by 2025, 1-1.5Mtpa by 2030), Reports & Data August Report on Cathode Material Markets (Estimate of \$28.28B market by 2027)
- LFP/NMC/HVS breakdown is the same in both cases, NNO can address all three
- EV numbers assume 45kWh LiB per Electric Vehicle (EV)

The size of the global battery cathode materials market is projected to reach U.S.\$23 billion by 2025⁵ and based on a 5% royalty (1/3 of 15% cost savings), this represents a U.S.\$1 billion total market royalty opportunity. Nano One's estimates as provided above show a total addressable market in cathode materials by the end of this decade ranging between U.S.\$27 billion and U.S.\$44 billion dollars per year. This represents up to 3.1 billion kilograms of cathode powder and up to 43 million electric vehicles per year.

⁵ Avicenne Energy August 2020 Report on Batteries & Raw Materials Supply (700k-900k tons Cathode mats market by 2025), Reports & Data August Report on Cathode Material Markets (Estimate of \$28.28B market by 2027).

Economic Model

Pro-Forma – 7 Year Financial Projections



Source: Internal Estimates

Revenue derived from assumed market share / partner engagement

Cathode pricing (conservative) is derived from LME metals and Lithium LCE pricing

Base vs Growth based mostly on TAM differences

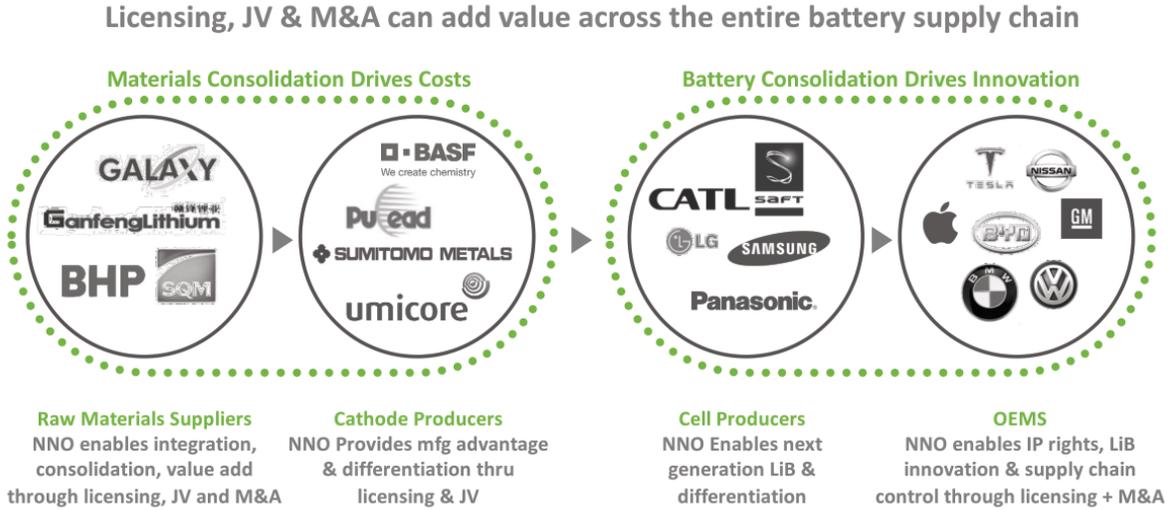
LFP, NMC, HVS market share same for both cases

Royalty pressure and TAM slowdown post 2026

Assumes NNO market share in 2025 @ 14%

Management of the Company has projected the foregoing financial projections over the next seven years. These projections assume the validation of Nano One's technologies by strategic OEMs interests and the signing of commercial licensing agreements in 2021. There remains considerable uncertainty in the timing of the validation of Nano One's technologies because validation requires many months of testing at various levels in the supply chain which are often followed by iterations to accommodate custom materials formulations, evolving market conditions and constraints in the supply chain. The Company's financial projections are based on cathode prices assuming current raw material pricing and declining royalty percentages as markets mature. Cathode pricing is highly sensitive to changes in raw material commodity pricing and this could have material impact on royalties, which are typically based on gross revenues of cathode materials. Base and Growth cases are formed from Nano One's internal projections for total addressable markets, based on aspirational market share of 14% in 2025. For simplicity, the Company also assumes that its market share for LFP, NMC and high voltage spinel ("HVS") will be the same.

Nano One's Supply Chain Opportunities

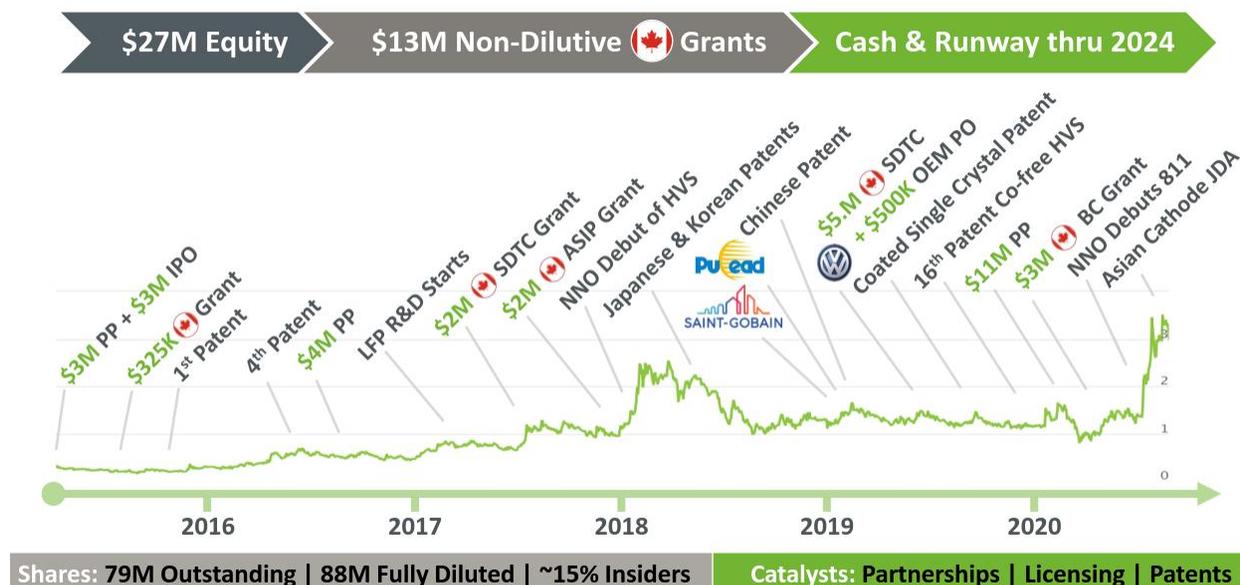


Nano One brings value, differentiation, competitiveness and sustainable growth to partners, up and down the supply chain, through its process technologies and cathode materials. Nano One is aiming to monetize that value through licensing, joint venture or sale and to have it adopted as an industry leading method of making advanced cathode materials with continuous innovation to preserve value, differentiation, competitiveness and sustainability.

To do this, Nano One is collaborating with material producers and jointly developing its processes for the production of cathode materials using Nano One's technology. Nano One is also actively and jointly developing next generation cathode materials with automotive OEMs to create demand for its process and materials technologies.

By collaborating at both ends of the value chain, Nano One aims to create demand for its cathode materials through OEM partnerships and their battery innovation efforts, while partnering with leading materials manufacturers supply cathode materials made with Nano One technology.

Furthermore, Nano One is anticipating that there will be consolidation and integration in the supply chain, primarily between refiners and cathode producer and between OEM and battery producers. Nano One believes there is an opportunity to integrate refining and cathode production to reduce waste and drive down costs.



The foregoing chart highlights the historical and projected timelines and milestones of the Company with respect to financings, patents, grants and partnerships of the Company. The Company was formed in 2011 as a private entity and became a publicly reporting issuer in March 2015 through a reverse take-over. Since 2011, the Company has raised approximately \$27 million in equity and approximately \$13 million in non-dilutive, non-repayable government support and has an estimated runway extending through 2024. The Company was granted its first patent in 2015 and now has 16 patents granted in Canada, US, Japan, Korea, Taiwan and China, with more than 30 patents pending in various jurisdictions around the world. The Company has disclosed four partnerships and collaborations since Q4 2018 and is working to add more partnerships, licensing agreements and patents.

In the near term (one to three years), Nano One will focus on:

- Prototyping and scaling up by expanding its demonstration pilot plant and laboratory facilities to serve technology development, partnership and licensing objectives.
- Building its first commercial plant(s) by advancing partnerships (Pulead, Volkswagen, Asian Partner and others) towards licensing agreements, first production pilot and revenues in 2021-2022.
- Third-party validation and partner identification with four (4) joint development partners already in place and more in the queue and targeted throughout the supply chain.

Long term opportunities (three to five years) include:

- Royalty revenues from LFP production with Pulead and others. NMC licensing revenues are expected to follow as coated single crystals proves out. Markets for HVS will be nurtured through the development of advanced high voltage batteries and solid-state batteries with OEMs and anode/electrolyte developer consortiums.
- Commercial expansion via manufacturing adoption of Nano One process, accelerated with differentiation, market growth and updates to non-competitive plants. Revenue expansion is anticipated to flow from scale of clients.
- Access to potential U.S.\$25 billion market through ongoing innovation for high margin opportunities in licensing, joint ventures, mergers and acquisition, and supply chain integration. Continuous innovation in battery cathode would add value and would help preserve high margins.

Nano One has 30 employees including six PhDs, led by an experienced and proven leadership team with globally recognized advisors in the lithium ion battery supply chain.

- Dan Blondal is CEO and Founder of Nano One and has 30 years experience in building and managing high growth technologies.
- Dr. Stephen Campbell is CTO and has over 30 years experience in energy storage and electrochemical systems, including roles as principal scientist at Ballard Power and its Daimler spinoff, Automotive Fuel Cell Corporation.
- Paul Matysek is chairman at Nano One and has led over \$2 billion in enterprise growth in energy metals and mining ventures.
- John Lando co-founded Nano One and serves as President. He brings 30 years of venture experience in the capital markets.
- Joe Lowry is a strategic advisor to Nano One and has worked for top lithium producers in the US, Japan and China. Mr Lowry has extensive worldwide market experience and is recognized as a world-renowned expert on the Lithium supply chain.
- Bob Morris is a former Executive Vice President at Vale developing their electric vehicle strategy, and is advising Nano One on Nickel and Cobalt supply, and integration opportunities with metals producers.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share capital of the Company since June 30, 2020, the date of the Interim Financial Statements. This table should be read in conjunction with the financial statements of the Company and the related notes and management's discussion and analysis of the financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

<u>Capital</u>	<u>Outstanding as at June 30, 2020 prior to giving effect to the Offering</u>	<u>Outstanding as at June 30, 2020 after giving effect to the Offering⁽¹⁾⁽²⁾⁽³⁾</u>
Share Capital	\$31,171,509	\$41,374,501
	78,764,802 Common Shares	83,056,197 Common Shares
Stock Options ⁽⁴⁾	3,815,925	3,815,925
Warrants ⁽⁵⁾	5,926,740	8,040,728
Broker Warrants ⁽⁶⁾	nil	338,238
Deficit	\$(22,954,089)	\$(22,954,089)
Reserves	\$2,931,514	\$3,288,614
Total Shareholders' equity	<u>\$11,148,934</u>	<u>\$21,709,026</u>

Notes:

- (1) Assumes the exercise in full of the Over-Allotment Option and includes the Shares issuable pursuant to the Corporate Finance Fee.
- (2) After deducting the Agents' Fee of \$690,005.52 and the estimated expenses of the Offering of \$250,000 (excluding taxes).
- (3) Since June 30, 2020, 1,676,600 warrants and 574,898 stock options have been exercised into an aggregate of 2,251,498 Common Shares. In addition, 1,487,250 stock options have been granted. As a result, as of the date of this Prospectus there are an aggregate of 81,016,300 Common Shares, 4,180,140 warrants and 4,668,277 stock options issued and outstanding.
- (4) Exercise prices of stock options outstanding range from \$0.38 to \$2.52.
- (5) Exercise prices of warrants outstanding are all \$1.60.
- (6) Exercise prices of Broker Warrants outstanding are all \$2.72.

USE OF PROCEEDS

Proceeds

The net proceeds to the Company from the Offering (assuming gross proceeds of the Offering of \$10,000,080 and no exercise of the Over-Allotment Option) are estimated to be \$9,150,075.20 after deducting the Agents' Fee of \$600,004.80 and the estimated expenses of the Offering of \$250,000.00 (excluding taxes). In the event that the Over-Allotment Option is exercised in full, the net proceeds to the Company are estimated to be \$10,560,086.48 after deducting the Agents' Fee of \$690,005.52 and the estimated expenses of the Offering of \$250,000.00 (excluding taxes). See "*Plan of Distribution*".

The net proceeds of the Offering (including the net proceeds from the exercise of the Over-Allotment Option, if any), will be used as follows:

Principal Purposes

Principal Purpose	Proceeds
Research and development including capital equipment purchases, leasehold improvements, and intellectual property acquisition	\$6,336,051.90
Business development and strategic alternatives	\$2,112,017.29
Working capital and general corporate purposes	\$2,112,017.29
Total⁽¹⁾:	\$10,560,086.48

Notes:

(1) After deducting the Agents' Fee of \$690,005.52 and the estimated expenses of the Offering of \$250,000.00 (excluding taxes).

To the extent that the Agents do not exercise the Over-Allotment Option, the portion of the proceeds allocated to working capital and general corporate purposes will be reduced accordingly.

The primary objectives the Company expects to accomplish using the net proceeds of the Offering is to advance the one to three year business objectives set out in "*Business of the Company – Timeline*".

The above noted allocation represents the Company's intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Actual expenditures may differ from the estimates set forth above. There may be circumstances where for sound business reasons the Company reallocates the use of proceeds. See "*Risk Factors – Discretion in the Use of Proceeds*" and "*Risk Factors – Additional Financing*".

Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in savings accounts, certificates of deposit and other instruments issued by banks or guaranteed by the Government of Canada or any province thereof.

During the fiscal year ended December 31, 2019 and the six months ended June 30, 2020, the Company had negative cash flow from operating activities. The Company's cash and cash equivalents as at June 30, 2020 were approximately \$8,900,000. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. To the extent that the Company has negative operating cash flow in any future period,

certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities. See “*Risk Factors – Negative Cash Flow from Operations*”.

PLAN OF DISTRIBUTION

The Company has engaged the Agents pursuant to the Agency Agreement to offer for sale to the public on a “best efforts” agency basis without underwriter liability, and the Company has agreed to issue and sell up to 3,676,500 Units at the Offering Price, for aggregate gross proceeds of approximately \$10,000,080 payable in cash to the Company against delivery of the Units subject to the terms and conditions of the Agency Agreement. The terms of the Offering, including the Offering Price, were determined by arm’s length negotiation between the Company and the Agents in the context of the market. The obligations of the Agents under the Agency Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of “material change out”, “disaster out”, “regulatory out”, “market out”, “breach out” and “due diligence out” provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agents are not obligated to purchase any Units under the Agency Agreement.

There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may be completed after raising only a small proportion of the offering amount set out above.

The Offering is being made in each of the provinces of Canada, other than Quebec. The Units will be offered in each of such provinces through those Agents or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Agents.

The Agency Agreement provides that the Company will (a) pay the Agents the Agents’ Fee equal to 6% of the gross proceeds of the Offering (or \$0.1632 per Unit) including, for greater certainty, the gross proceeds of the Over-Allotment Option, if any, and (b) issue to the Agents the Broker Warrants, exercisable to acquire, within two (2) years of the Closing Date, in the aggregate, that number of Broker Shares equal to 8% of the number of Units sold under the Offering including, for greater certainty, any Units sold on the exercise of the Over-Allotment Option, if any, at an exercise price equal to the Offering Price. In addition, the Company has agreed to pay the Agents the Corporate Finance Fee equal to 1.5% of the gross proceeds of the Offering, payable by the issuance by the Company to the Agents of the Corporate Finance Fee Shares with a deemed value per share equal to the Offering Price. The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and the Agents with reference to the prevailing market price of the Common Shares.

The Company has granted the Agents the Over-Allotment Option to purchase up to an additional 551,475 Units at the Offering Price, exercisable from time to time, in whole or in part, at any time on or before 2:00 p.m. (PST) on the 30th day following the Closing Date, for the purpose of satisfying over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total Offering, the Agents’ Fee and net proceeds to the Company (before deducting the expenses of the total Offering) will be \$11,500,092.00, \$690,005.52 and \$10,810,086.48, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Units (including the securities underlying such Units) issued upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agents’ over-allocation position acquires those Units under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Agency Agreement provides that the Company will reimburse the Agents for certain expenses incurred in connection with the Offering and will indemnify the Agents and their directors, officers, employees, shareholders, partners, advisors and agents against certain liabilities and expenses.

It is expected that the Closing Date will occur on or about October 30, 2020, or such earlier or later date as the Company and Agents may agree, but in any event not later than 90 days after the date of the receipt for the (final) short form prospectus.

The Company has been advised by the Agents that, in connection with the Offering, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

In accordance with rules and policy statements of certain Canadian securities regulators, the Agents may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Units may be higher than the price that otherwise might exist on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

The Company has agreed, pursuant to the Agency Agreement, that, from the date of the Agency Agreement and ending on the date that is 60 days following the Closing Date, it will not, without the prior written consent of the Agents (such consent not to be unreasonably withheld or delayed), issue, or agree to issue, any Common Shares or securities convertible into Common Shares other than in connection with: (i) except for options granted under the Company's stock option plan and (ii) securities issued in connection with the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities and/or an arm's length acquisitions.

The Company has also agreed to cause each of the directors and officers of the Company and each of such person's associates and affiliates to enter into lock up agreements in favour of the Agents evidencing their agreement not to, for a period of 60 days following the Closing Date, directly or indirectly, without the consent of the Agents, such consent not to be unreasonably withheld, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form or agreement or arrangement the consequence of which is to alter economic exposure to, any Common Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company, or agree or publicly announce any intention to do any of the foregoing, in any manner whatsoever.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Except in certain limited circumstances: (a) the Units and the securities underlying the Units will be registered and represented electronically through the non-certificated inventory of CDS or its nominee pursuant to the book-based system administered by CDS; (b) certificates evidencing the securities underlying the Units will not be issued to purchasers; and (c) purchasers will receive only a customer confirmation from an Agent or other registered dealer who is a Participant and from or through whom a beneficial interest in the Units is purchased.

Neither the Company nor any of the Agents will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Units and the securities underlying the Units held by CDS or any payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Units and the securities underlying the Units; or (c) any advice or representation made by or with respect to CDS and contained in this Prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and beneficial owners of Common Shares must look solely to Participants for any payments relating to the Common Shares paid by or on the Company's behalf to CDS.

The Common Shares are currently listed on the TSXV under the symbol "NNO". The Company will make an application to list the Unit Shares, the Warrant Shares, the Broker Shares and the Corporate Finance Fee Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. Each Warrant will entitle the holder thereof (the “**Warrantholder**”) to purchase one Warrant Share at an exercise price of \$3.55 per Warrant Share at any time for a period of two (2) years following the Closing Date, after which time the Warrants will expire and be void and of no value. The Warrant Indenture will contain customary adjustment provisions designed to protect the holders of Warrants against dilution upon the occurrence of certain events. No fractional Warrants or Warrant Shares will be issued upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrants or fractional Warrant Shares. See “*Description of Securities Being Distributed – Warrants*”.

Warrantholders will not as such have any voting right or other right attached to the Warrant Shares until the Warrants are duly exercised as provided for under the Warrant Indenture and the Warrant Shares are issued.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. In addition, the Warrants will not be listed for trading on the TSXV or any other stock exchange following the Closing Date. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “*Risk Factors*”.

Beneficial interests in the securities underlying the Units may be represented solely through a non-certificated position which will be evidenced by customer confirmations of purchase from the registered dealer from which the Units are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of Units and securities underlying the Units will be made only through the depository service of CDS. Beneficial owners of Units and securities underlying the Units should be aware that they (subject to the situations described below): (a) may not have the Units or the securities underlying the Units registered in their name; (b) will not have physical certificates representing their interest in the Units or the securities underlying the Units; (c) may not be able to sell the Units or the securities underlying the Units to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge the Units or the securities underlying the Units as security. Beneficial owners of Units and securities underlying the Units will receive a physical share certificate only if required to do so by applicable law; or CDS advises the Company’s transfer agent that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Units or the securities underlying the Units and the Company is unable to locate a qualified successor.

The Units, and the Unit Shares, the Warrants, and the Warrant Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents, through their United States registered broker-dealer affiliates, may not offer and sell the Units except: (a) in an “offshore transaction,” as such term is defined in Regulation S, outside the United States to non-U.S. Persons in accordance with Rule 903 of Regulation S; or (b) in the United States to, or for the account or benefit of, persons in the United States or U.S. Persons to Qualified Institutional Buyers (as such term is defined in Rule 144A under the U.S. Securities Act) purchasing pursuant to the exemption from the registration requirement of the U.S. Securities Act under Rule 144A and in compliance with similar exemptions under applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units offered under this Prospectus within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

The Warrants will not be exercisable by, or on behalf of or for the account or benefit of, a person in the United States or a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing, or other evidence reasonably satisfactory to the Company, to such effect in form and substance satisfactory to the Company.

In connection with the Offering, the Agents may distribute prospectuses electronically.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offering consists of Units, each of which is comprised of one Unit Share and one-half of one Warrant. The Units will separate into Unit Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of \$2.72 per Unit.

Authorized Share Capital

The Company's articles permit the issuance of an unlimited number of Common Shares. As at the date of this Prospectus, the Company has 81,016,300 fully paid and non-assessable Common Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. All of the Common Shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. None of the Common Shares are subject to any call or assessment nor pre-emptive or conversion rights.

As of the date of this Prospectus, the Company has neither declared nor paid any dividends on its Common Shares since the date of its incorporation. Any payments of dividends on the Common Shares will be made in accordance with the *Business Corporations Act* (British Columbia), and will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors of the Company may consider appropriate under the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Warrants

The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request from the Company's corporate secretary and will be available electronically at www.sedar.com. Reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each Warrant entitles its holder, upon the payment of the exercise price of \$3.55 to purchase one Warrant Share for a period of two (2) years following the Closing Date, after which time the Warrants will expire.

The Warrants will be governed by the Warrant Indenture between the Company and the Warrant Agent. The Company will designate the Warrant Agent, in its Vancouver office, as agent for the Warrants. Prior to the closing of the Offering, the Company may name any other agent with respect to the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

- (d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, of Common Shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of Common Shares of securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the event of the following additional events:

- (a) the reclassification of the Common Shares;
- (b) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Company’s outstanding Common Shares or a change of the Common Shares into other shares); or
- (c) the transfer of the Company’s undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to Warranholders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warranholders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any Warranholder. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the Warranholders may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the Warranholders at which there are Warranholders present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of Warranholders representing not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the Warranholders of not less than 66 $\frac{2}{3}$ % of the aggregate number of all then outstanding Warrants.

The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws. The Warrants will not be exercisable by, or on behalf of or for the account or benefit

of, a person in the United States or a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing, or other evidence reasonably satisfactory to the Company, to such effect in form and substance satisfactory to the Company.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. In addition, the Warrants will not be listed for trading on the TSXV or any other stock exchange following the Closing Date. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Company issued the following Common Shares and securities exercisable or convertible into Common Shares.

<u>Date Granted/Issued</u>	<u>Number of Securities</u>	<u>Security</u>	<u>Issue/Exercise Price</u>
October 2, 2020 ⁽³⁾	50,000	Common Shares	\$1.60
October 1, 2020 ⁽³⁾	10,000	Common Shares	\$1.60
September 30, 2020 ⁽³⁾	5,250	Common Shares	\$1.60
September 24, 2020 ⁽⁴⁾	3,000	Common Shares	\$1.28
September 24, 2020 ⁽³⁾	20,000	Common Shares	\$1.60
September 22, 2020 ⁽³⁾	17,437	Common Shares	\$1.60
September 14, 2020 ⁽⁴⁾	15,000	Common Shares	\$1.28
September 14, 2020 ⁽⁴⁾	7,850	Common Shares	\$1.57
September 11, 2020 ⁽³⁾	37,500	Common Shares	\$1.60
September 8, 2020 ⁽⁵⁾	50,000	Stock Options	\$2.81
September 8, 2020 ⁽⁴⁾	5,000	Common Shares	\$1.28
September 4, 2020 ⁽³⁾	367,660	Common Shares	\$1.60
September 2, 2020 ⁽⁴⁾	50,000	Common Shares	\$1.19
August 31, 2020 ⁽³⁾	121,734	Common Shares	\$1.60
August 17, 2020 ⁽⁴⁾	10,000	Common Shares	\$1.57
August 17, 2020 ⁽³⁾	102,168	Common Shares	\$1.60
August 12, 2020 ⁽⁴⁾	15,000	Common Shares	\$1.28
August 12, 2020 ⁽⁴⁾	11,500	Common Shares	\$1.57
August 12, 2020 ⁽³⁾	41,835	Common Shares	\$1.60
August 11, 2020 ⁽⁴⁾	80,000	Common Shares	\$0.25
August 11, 2020 ⁽⁴⁾	2,548	Common Shares	\$1.57
August 11, 2020 ⁽³⁾	68,500	Common Shares	\$1.60
July 31, 2020 ⁽³⁾	633,016	Common Shares	\$1.60
July 22, 2020 ⁽⁴⁾	150,000	Common Shares	\$1.15
July 21, 2020 ⁽³⁾	191,500	Common Shares	\$1.60
July 20, 2020 ⁽⁵⁾	1,437,250	Stock Options	\$2.52
July 20, 2020 ⁽⁴⁾	25,000	Common Shares	\$0.74
July 16, 2020 ⁽³⁾	180,000	Common Shares	\$1.60

July 7, 2020 ⁽⁴⁾	20,000	Common Shares	\$1.28
July 7, 2020 ⁽⁴⁾	10,000	Common Shares	\$1.57
June 11, 2020 ⁽⁴⁾	25,000	Common Shares	\$0.25
March 2, 2020 ⁽⁴⁾	100,000	Common Shares	\$0.25
February 24, 2020 ⁽⁴⁾	700,000	Common Shares	\$0.25
February 21, 2020 ⁽²⁾	467,740	Warrants	\$1.60
February 21, 2020 ⁽¹⁾	4,782,500	Warrants	\$1.60
February 21, 2020 ⁽¹⁾	9,565,000	Common Shares	\$1.15
February 19, 2020 ⁽⁴⁾	100,000	Common Shares	\$0.25
February 7, 2020 ⁽⁴⁾	2,500	Common Shares	\$0.70
January 14, 2020 ⁽⁴⁾	1,082,500	Common Shares	\$0.25
November 22, 2019 ⁽⁴⁾	52,500	Common Shares	\$0.25
October 31, 2019 ⁽⁴⁾	15,000	Common Shares	\$0.25

Notes:

- (1) Issued to subscribers in connection with private placement.
- (2) Issued to finders in connection with private placement.
- (3) Exercise of warrants.
- (4) Exercise of stock options.
- (5) Grant of stock options.

TRADING PRICE AND VOLUME

The following table sets forth information relating to the trading of the Common Shares on the TSXV for the 12-month period before the date of this Prospectus⁶:

Month	High (\$)	Low (\$)	Close (\$)	Volume
October 2019	1.29	1.10	1.15	1,081,007
November 2019	1.30	1.08	1.13	1,046,435
December 2019	1.25	1.07	1.16	1,065,604
January 2020	1.54	1.12	1.32	3,263,013
February 2020	1.69	1.23	1.27	5,488,128
March 2020	1.36	0.75	0.93	4,085,028
April 2020	1.34	0.85	1.28	2,347,120
May 2020	1.50	1.21	1.32	2,325,504
June 2020	1.58	1.21	1.34	3,830,140
July 2020	3.46	1.35	2.96	25,121,266
August 2020	3.77	2.45	3.15	12,042,584
September 2020	3.35	2.51	2.82	9,007,357
October 1-13, 2020	3.18	2.66	2.96	2,203,586

⁶ Source: Stockwatch.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to the Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to the Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length and is not affiliated with the Company or the Agents; and (ii) holds the Common Shares and Warrants as capital property (a "**Holder**").

Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" within the meaning of section 142.2 of the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) that has made a "functional currency" reporting election under section 261 of the Tax Act; (iv) an interest in which is, or for whom a Common Share or Warrant would be, a "tax shelter investment" for the purposes of the Tax Act; (v) that has entered into a "derivative forward agreement", or "synthetic disposition agreement" as defined in the Tax Act, in respect of Common Shares or Warrants or (vi) that is a corporation resident in Canada and that is or becomes (or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of any Common Shares, controlled by a non-resident person (or by a group of non-resident persons that do not deal at arm's length with each other for purposes of the Tax Act) for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof; (ii) all specific proposals ("**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one-half Warrant included in each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$2.72 subscription price for each Unit, it intends to allocate \$2.71 to each Unit Share and \$0.01 to each one-half Warrant and believes that such allocation is reasonable. The Company's allocation, however, is not binding on the CRA or on a Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to the Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holdings Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act ("**Resident Holder**").

A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property.

Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be restrictions on the ability of the Company to designate particular dividends as "eligible dividends".

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A Resident Holder that is a "private corporation", as defined in the Tax Act and certain other corporations controlled, directly or indirectly, by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), may be liable, to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Disposition of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or

are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition.

Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such expired Warrant.

Taxable Capital Gains and Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains and certain dividends.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holdings Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold (or deemed to use or hold) the Common Shares or Warrants in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere and such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada-United States Tax Convention (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%. Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or a Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holders Resident in Canada – Dispositions of Common Shares and Warrants*” and “*Holders Resident in Canada – Taxable Capital Gains and Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

RISK FACTORS

An investment in the Units offered hereby involves a high degree of risk, should be considered speculative and is only suitable for those investors who are willing to risk a loss of their entire investment. Before investing, prospective purchasers of Units should carefully consider, in light of their own financial circumstances, the factors set out below as well as the information contained in or incorporated by reference in this Prospectus, including those risk factors included in the AIF and management's discussion and analysis for the year ended December 31, 2019 which are incorporated herein by reference, and consult their own experts where necessary.

General

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of his or her personal circumstances and the financial resources available to them.

An investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations or on the Company's industry partners who provide in-kind and/or financial contributions to the Company's government programs. There are travel restrictions and health and safety concerns that may delay the Company's research activities. Operations depend on safeguarding all personnel during the outbreak, which may be prohibitive in certain aspects. Nonetheless, the Company has implemented prevention measures at its office and laboratory facilities including the facilitation of remote work programs. Various Government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic, and the various programs are constantly being expanded and relaxed, which may qualify the Company for additional assistance. As at the date hereof, the Company had qualified for and received an additional \$250,000 from SDTC (April 2020), and approximately \$195,000 from the Innovative Assistance Program (under NRC-IRAP) (July to August 2020), both in relation to COVID-19 pandemic relief.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Information*". In addition, the market price for securities on stock markets, including the TSXV, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the

market prices of securities that often have been unrelated or disproportionate to changes in operating performance. These broad market fluctuations on the TSXV may adversely affect the market price of the Common Shares.

Use of Proceeds

The Company currently intends to allocate the net proceeds received from the Offering as described under “*Use of Proceeds*” in this Prospectus. However, subject to using the net proceeds as described therein, management of the Company will have discretion in the actual application of the net proceeds and the timing of their expenditure, and may elect to allocate proceeds differently from that described in “*Use of Proceeds*” if it is believed it would be in the best interests of the Company to do so as circumstances change. The results and the effectiveness of the application of the proceeds are uncertain. The failure by management of the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

Volatile Market Price of the Common Shares

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies experience wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

Negative Cash Flow from Operations

The Company had negative operating cash flows for the fiscal year ended December 31, 2019, and the six months ended June 30, 2020. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status in the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities, see “*Use of Proceeds*”.

Going Concern

The Company’s Annual Financial Statements and Interim Financial Statements, incorporated by reference herein, have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The Company’s ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, and to continue to obtain borrowings or issue equity from third parties sufficient to meet current and future obligations. In the event the Company is at any point unable to continue as a going concern, this would have an adverse impact on the Company’s business, financial condition and operating results.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading “*Forward-Looking Information*”.

Intellectual Property Protection

The Company cannot provide any assurance that any intellectual property applications will be approved. Even if they are approved, such patents, trademarks or other intellectual property registrations may be successfully challenged by others or invalidated. The success of the Company and its ability to compete are substantially

dependent on its internally developed technologies and processes which the Company will need to protect through a combination of patent, copyright, trade secret and trademark law.

The trademark, copyright, and trade secret positions of the Company's business are uncertain and involve complex and evolving legal and factual questions. In addition, there can be no assurance that competitors will not seek to apply for and obtain trademarks and trade names that will prevent, limit or interfere with the Company's processes. There can be no assurance that the Company will have the financial resources to defend its patents, trademarks, and copyrights from infringement or claims of invalidity. Litigation may be necessary in the future to enforce the Company's intellectual property rights, to protect the Company's trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. Any such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Company's business, operating results, and financial condition. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that competitors will not independently develop similar services or products. Any failure by the Company to adequately protect its intellectual property could have a material adverse effect on its business, operating results and financial condition.

The patent positions of emerging companies can be highly uncertain and involve complex legal and factual questions. Thus, there can be no assurance that any patent applications made by or on behalf of the Company will result in the issuance of patents, that the Company will develop additional proprietary products that are patentable, that any patents issued or licensed to the Company will provide the Company with any competitive advantages or will not be challenged by any third parties, that the patents of others will not impede the ability of the Company to do business or that third parties will not be able to circumvent the patents assigned or licensed to the Company. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of the Company's products or, if patents are issued and licensed to the Company, design around the patented product developed for the benefit of the Company.

Since patent applications are maintained in secrecy for a period of time after filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, the Company cannot be certain that the inventors of the patents were the first creators of inventions covered by pending applications, or that it was the first to file patent applications for such inventions. There can be no assurance that the Company's patents, if issued, would be valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

The Company is not currently aware of any claims asserted by third parties that the Company's intellectual property infringes on their intellectual property. However, in the future, a third party may assert a claim that the Company infringes on their intellectual property. If the Company is forced to defend against these claims, which may be with or without any merit or whether they are resolved in favour or against the Company, the Company may face costly litigation and diversion of management's attention and resources. As a result of such a dispute, the Company may have to develop costly non-infringement technology or enter into license agreements which may not be available at favourable terms.

Performance and Scalability

To be successful, Nano One will have to successfully scale its internally developed technology while maintaining high product quality and reliability. If Nano One cannot maintain high product quality on a large scale, the Company will be adversely affected. Nano One may encounter difficulties in scaling up cathode materials that are typically required to prototype full size battery cells. Even if Nano One is successful in developing its technologies, Nano One does not know whether the Company will do so in time to satisfy the requirements of the electric vehicle industry or other industries. The Company's current facility hosts a pilot plant and laboratory with limited production capacity.

Any interruption in operations at the current facility could result in the inability to successfully execute the business plan. A number of factors could cause interruptions, including, but not limited to, equipment malfunctions or failures, work stoppages or slow-downs, damage to or destruction of the facility, or regional power shortages. The success of the Company and its ability to compete are substantially dependent on its internally developed technologies.

Management of Growth

The Company could experience growth that could put a significant strain on each of the Company's managerial, operational and financial resources. The Company must implement and constantly improve its operational and financial systems and expand, train, and manage its employee base to manage growth. In addition, the Company expects that its operational and management systems will face increased strain as a result of the expansion of the Company's technologies. The Company might not be able to effectively manage the expansion of its operations and systems, and its procedures and controls might not be adequate to support its operations. In addition, management might not be able to make and execute decisions rapidly enough to exploit market opportunities for the expansion of the Company's technologies. If the Company is unable to manage its growth effectively, its business, results of operations, and financial condition will suffer. Failure to effectively manage growth could also result in difficulty in launching new processing technology or enhancing existing processing technology, declines in quality or end-user satisfaction, increases in costs or other operational difficulties, and any of these difficulties could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

Competition

Despite efforts by the Company to protect its proprietary rights on which the Company's business is dependent, competitive products may be developed in the future. Competition could adversely affect the Company's ability to acquire market share.

Execution of Business Plan

The execution of the Company's business plan poses many challenges and is based on a number of assumptions. The Company may not be able to successfully execute its business plan. If the Company experiences significant cost overruns on its programs, or if its business plan is more costly than it anticipates, certain research and development activities may be delayed or eliminated, resulting in changes or delays to its commercialization plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its business plan. The Company cannot predict with certainty its future revenues or results from its operations. If the assumptions on which its revenues or expenditures forecasts are based change, the benefits of the Company's business plan may change as well. In addition, the Company may consider expanding its business beyond what is currently contemplated in its business plan. Depending on the financing requirements of a potential acquisition or new product opportunity, the Company may be required to raise additional capital through the issuance of equity or debt. If the Company is unable to raise additional capital on acceptable terms, it may be unable to pursue a potential acquisition or new product opportunity.

Currently, the Company has no history of profitable operations or material revenue. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources.

Technology may not be effectively commercialized

The Company's technology is currently in the commercialization phase. There is a risk that the technology and the Company's products will not perform as expected in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return on its technology development.

Technical Risks

Technical risks are inherent in the development and commercialization process, in that an immature technology could present unexpected challenges that exceed the planned time or financial resources to overcome. There can be no guarantee that the Company will be able to overcome technical risks associated with the development of its technology.

Our technology may be unable to achieve broad market acceptance and, consequently, limit our ability to generate revenue and profits from new products.

Even when product development is successful our ability to generate significant revenue and profits depends on the acceptance of our products by our customers and end users of the products, such as companies or individuals purchasing vehicles incorporating our technology. The market acceptance of any product depends on a number of factors, including but not limited to awareness of a product's availability and benefits, the price and cost-effectiveness of our products relative to competing products; general competition, and the effectiveness of marketing and distribution efforts. Any factors preventing or limiting the market acceptance of our technology could have a material adverse effect on our business, results of operations and financial condition.

Product liability lawsuits against us could cause us to incur substantial liabilities, and we may be subject to product recalls for product defects that are self-imposed or imposed by regulators.

In the event of a failure of a future product incorporating our technology, such as a recreational vehicle or truck, we may be subject to potential product liability lawsuits. Under certain circumstances, our customers may be required to recall or withdraw the products incorporating our technology. Even if a situation does not necessitate a recall or market withdrawal, product liability claims may be asserted against the Company. Even if a product liability claim is unsuccessful, the negative publicity surrounding any assertion that the products caused illness or physical harm could adversely affect the Company's reputation and brand equity.

Access to Proprietary Information

The Company generally controls access to and distribution of its technologies, documentation, and other proprietary information. Despite efforts by the Company to protect its proprietary rights from unauthorized use or disclosure, parties may attempt to disclose, obtain, or use its solutions or technologies. There can be no assurance that the steps the Company has taken or will be taking will prevent misappropriation of its solutions or technologies, particularly in foreign jurisdictions where laws or law enforcement practices may not protect proprietary rights as fully as in Canada or the United States.

Information Technology Interruptions or Breaches

The Company's business operations are managed through a variety of information technology systems. These systems govern all aspects of its operations. While the Company has implemented a number of measures to keep its technology systems fully operational and to mitigate the risks associated with a failure of its systems, the Company's systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by its employees. If the Company's information technology systems are damaged or cease to function properly, the Company may have to make a significant investment to fix or replace them and the Company may suffer loss of critical data and interruptions or delays in its operations in the interim. Any material interruption in its information technology systems could have a material adverse effect on the Company's business, prospects, financial condition, results of operations, and cash flows.

Environmental Regulation

The Company's business and operations are subject to environmental regulation in the areas in which it operates. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's business and operations. Additionally, applicable regulations may change, and additional government regulations may be enacted that could impact the Company. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action. If we are not able to maintain regulatory compliance, are slow or unable to adopt new requirements or policies, or effect changes to existing requirements, the Company may be adversely affected.

Commodity Price, Raw Materials

Industrial chemicals used in Nano One's technologies are subject to market price fluctuations. Market price fluctuations could have a material adverse effect on Nano One's business plan execution. There can be no assurance that the price of the raw materials will not increase in the future.

Dependence on Management and Key Personnel

The Company's success depends largely upon the continued services of its executive Officers and other key employees. From time to time, there may be changes in the Company's executive management team resulting from the hiring or departure of executives, which could disrupt its business. If the Company is unable to attract and retain top talents, its ability to compete may be harmed. The Company's success is also highly dependent on its continuing ability to identify, hire, train, retain and motivate highly qualified personnel. Competition for highly skilled technical, research and development, management, sales, and other employees is high in the Company's industry, and the Company may not be successful in attracting and retaining such personnel. Failure to attract and retain qualified executive Officers and other key employees could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

Economic Conditions

Current and future unfavourable economic conditions could negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets, and negatively impact any of the availability of credit facilities to the Company. See "Global Pandemic (COVID-19)" above.

Additional Capital Requirements

The Company has incurred annual losses since inception and it plans on continuing to make significant expenditures to support its business growth and may require additional funds to respond to business challenges, including the need to expand sales and marketing activities, develop new processing technologies to enhance its existing technology, enhance its operating infrastructure, and acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, the Company's existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of holders of the Company's Common Shares. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which might make it more difficult for it to obtain additional capital and to pursue business opportunities.

The Company can provide no assurance that sufficient debt or equity financing will be available on reasonable terms or at all to support its business growth and to respond to business challenges and failure to obtain sufficient debt or equity financing when required could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

No Market for the Warrants

The Warrants will not be listed for trading on any stock exchange following the closing of the Offering and there is no market through which the Warrants may be sold. The Company has no intention to apply to any stock exchange for listing of the Warrants. As a result, purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations.

Enforcement of judgments against foreign persons may not be possible

A director of the Company resides outside of Canada. Some or all of the assets of such person may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such person. Moreover, it may not be possible for investors to effect service of process within Canada upon such person.

NAMES AND INTEREST OF EXPERTS

Our Annual Financial Statements as at December 31, 2019 and 2018 incorporated by reference in this Prospectus have been audited by Davidson & Company LLP. Davidson & Company LLP have advised that they are independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, Canada.

Certain legal matters relating to the Offering have been reviewed on behalf of the Company by Fasken Martineau DuMoulin LLP.

As at the date hereof, the partners and associates, as a group of each of Fasken Martineau DuMoulin LLP own less than 1% of the outstanding Common Shares.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR CORPORATIONS

Mr. Joseph Guy a director of the Company, resides outside of Canada and has appointed Nano One Materials Corp., 101B - 8575 Government Street, Burnaby, British Columbia V3N 4V1 as his agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

LEGAL MATTERS

To the best of Company's knowledge, there are no material legal proceedings by or against the Company or affecting any of its interests as of the date of this Prospectus, nor are we aware that any such proceedings are contemplated.

Furthermore, there are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed fiscal year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision in the Company; or (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed fiscal year.

CERTIFICATE OF THE COMPANY

This Prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Canada, other than Quebec.

Dated this 14th day of October, 2020.

(Signed) DAN BLONDAL
CHIEF EXECUTIVE OFFICER

(Signed) DAN MARTINO
CHIEF FINANCIAL OFFICER

On Behalf of the Board of Directors

(Signed) JOHN LANDO
DIRECTOR

(Signed) PAUL MATYSEK
DIRECTOR

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief, this Prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the provinces of Canada, other than Quebec.

Dated this 14th day of October, 2020.

EIGHT CAPITAL

(Signed) TONY LORIA
Principal, Head of Investment Banking - Calgary

GRAVITAS SECURITIES INC.

(Signed) BLAYNE CREED
President & Chief Executive Officer