

Press Release

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UM invests in U.S. company Nanodyne Incorporated

Union Minière announces it has made through its UM Cobalt & Energy Products unit an equity investment in Nanodyne Incorporated, a U.S. company headquartered in New Brunswick in the state of New Jersey, giving it a stake of some 27% in the company.

Nanodyne uses a proprietary process to produce nanocrystalline and microcrystalline metal particles (less than 0.0002 millimetre in size) with superior properties to the standard micron and millimetre size materials available on the market today.

Its first range of products include nanocrystalline and microcrystalline tungsten carbide particles embedded in a cobalt matrix for use as raw materials in the hard metals industry to produce wear resistant tools and cutting tools and sold as Nanocarb® and Microcarb® powders.

The technical feasibility of the production process was demonstrated in a pilot plant in New Jersey and the products were successfully introduced in the marketplace. Union Minière's investment will allow Nanodyne to start the construction of an industrial plant, which will be built in Laurinburg, North Carolina, include to the Carolmet plant where UM is already producing cobalt powders. Full-scale production is expected in the fourth quarter of 1998.

Nanodyne is actively testing the patented technology for the manufacturing of other metal based products for use in different application areas. Union Minière and Nanodyne will explore a technical co-operation in certain of those areas with some promising future breakthrough potential.

UM Cobalt & Energy Products, Union Minière's business unit which has a leadership position in the production and sale of ultra-fine and submicron cobalt powders for use in the hard metal industry and diamond tools industry, will assist Nanodyne with the marketing of its products in the European and Asian markets.

Coming after its recent acquisition of the battery materials and cobalt powder production activities of The Westaim Corporation, Canada, and the ground-breaking work of a greenfield zinc powder production facility in Shanghai, China, this move marks a new milestone in the international growth strategy of UM Cobalt & Energy Products.

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