Magnolia Solar, a solar cell development company that operates its lab at the SUNY College of Nanoscale Science and Engineering in Albany, has found an innovative way to fund its expansion plans.

The company is acquiring the assets of an Australian mining company that makes silica sand used in the manufacture of solar cells through what is effectively a reverse merger.

Under the terms of the deal, which were included in a recent filing with the U.S. Securities and Exchange Commission, the shareholders of Solar Silicon Resources Group, which has the rights to a quartz mine valued at $500 million, will own 90 percent of Magnolia Solar, while Magnolia Solar will retain a 10 percent stake.

The deal allows Solar Silicon Resources to access the U.S. capital and solar markets more quickly than it could have on its own.

It’s possible that the company will then sell shares to the public that could raise as much as $100 million for the combined company, which would set aside $5 million to fund commercialization of its solar technology being developed at the NanoCollege.

“We’re very excited about it,” Magnolia Solar CEO Ashok Sood said in a phone interview Thursday. He said it would be premature to go into more detail beyond what is included in the SEC filings since the deal is in the early stages.

However, in a press release issued by the two companies, Sood said that the deal would allow Magnolia, which currently only has 4 employees, to expand into the “materials and product supply for the solar and semiconductor industries.”

Solar cells and computer chips typically are built upon silicon made essentially from high-grade sand like that supplied by Solar Silicon Resources, which operates a high purity quartz mine in Far North Queensland, Australia. The company then makes the quartz into sand used for various semiconductors, including LCD TVs.

Officials from Solar Silicon Resources, who could not immediately be reached for comment, said in a statement that it intends to build refining and supply operations in the United States, although it did not specify New York state specifically.
However, the NanoCollege and Gov. Andrew Cuomo typically try and convince companies that set up research operations at the NanoCollege to also consider future manufacturing here as well. Magnolia Solar has already received $1 million in funding from the state’s energy development division.

A spokesman for the NanoCollege could not immediately be reached for comment, although the school has been expanding its solar and renewable energy operations significantly over the past year, developing sites in both Rochester and Buffalo for solar manufacturers and starting construction on its new $191 million ZEN building that will be dedicated to clean tech and renewable energy research.

The NanoCollege also runs a pilot solar manufacturing line in Halfmoon, and it runs a $60 million Department of Energy solar manufacturing consortium that is trying to align the solar industry, especially its supply chain, as a way to regain technology and commercial leadership from Asia.